



HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2018  
OF THE CONDITION AND AFFAIRS OF THE

Harvard Pilgrim Health Care, Inc.

NAIC Group Code05950595NAIC Company Code96911Employer's ID Number04-2452600  
(Current)(Prior)

Organized under the Laws ofMassachusetts, State of Domicile or Port of EntryMA

Country of DomicileUnited States of America

Licensed as business type:Health Maintenance Organization

Is HMO Federally Qualified? Yes [ X ] No [ ]

Incorporated/Organized02/11/1969Commenced Business02/11/1969

Statutory Home Office93 Worcester StreetWellesley, MA, US 02481-9181  
(Street and Number)(City or Town, State, Country and Zip Code)

Main Administrative Office93 Worcester StreetWellesley, MA, US 02481-9181781-263-6000  
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Mail Address93 Worcester StreetWellesley, MA, US 02481-9181  
(Street and Number or P.O. Box)(City or Town, State, Country and Zip Code)

Primary Location of Books and Records93 Worcester StreetWellesley, MA, US 02481-9181617-509-5697  
(Street and Number)(City or Town, State, Country and Zip Code)(Area Code) (Telephone Number)

Internet Website Addresswww.hphc.org

Statutory Statement ContactKevin O'Connor617-509-5697  
(Name)(Area Code) (Telephone Number)

kevin\_oconnor@harvardpilgrim.org617-509-1778  
(E-mail Address)(FAX Number)

OFFICERS

President and Chief Executive OfficerMichael Andrew Carson #Clerk/Secretary and Chief Legal OfficerTisa Kramer Hughes

Chief Financial Officer and TreasurerCharles Robert Goheen

OTHER

Michelle Joy Clayman, Assistant Treasurer

DIRECTORS OR TRUSTEES

Earl Wayne Baucom	Shelby Michael Chodos	Susan Vercillo Duprey
Scott Sears Hartz	Myechia Minter-Jordan, M.D.	Joyce Anne Murphy, Chair
Joseph Francis O'Donnell, M.D.	Michael Andrew Carson #	Michael Joseph Shea, Vice Chair
Hedwig Veith Whitney	Raymond Pawlicki	

State ofMassachusettsSS:  
County ofNorfolk

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Andrew CarsonCharles Robert GoheenTisa Kramer Hughes  
President and Chief Executive OfficerChief Financial Officer and TreasurerClerk/Secretary and Chief Legal Officer

Subscribed and sworn to before me thisa. Is this an original filing? .....Yes [ X ] No [ ]  
day ofFebruary 2019b. If no,  
1. State the amendment number.....  
2. Date filed .....  
3. Number of pages attached.....

Susan Greaney  
Notary Public  
08/10/2023

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1. Bonds (Schedule D)	307,227,731		307,227,731	282,232,057
2. Stocks (Schedule D):				
2.1 Preferred stocks			0	0
2.2 Common stocks	343,667,275	582,127	343,085,148	341,498,241
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ 0 encumbrances)	22,254,877		22,254,877	21,971,114
4.2 Properties held for the production of income (less \$ 0 encumbrances)			0	0
4.3 Properties held for sale (less \$ 0 encumbrances)			0	0
5. Cash (\$ 13,904,868, Schedule E - Part 1), cash equivalents (\$ 54,166,472, Schedule E - Part 2) and short-term investments (\$ , Schedule DA)	68,071,340		68,071,340	42,419,458
6. Contract loans, (including \$ premium notes)			0	0
7. Derivatives (Schedule DB)			0	0
8. Other invested assets (Schedule BA)	122,357,301		122,357,301	98,835,064
9. Receivables for securities			0	0
10. Securities lending reinvested collateral assets (Schedule DL)			0	0
11. Aggregate write-ins for invested assets	419,527	0	419,527	917,487
12. Subtotals, cash and invested assets (Lines 1 to 11)	863,998,051	582,127	863,415,924	787,873,421
13. Title plants less \$ charged off (for Title insurers only)			0	0
14. Investment income due and accrued	2,139,141		2,139,141	1,539,167
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	10,793,110	1,018,506	9,774,604	10,731,099
15.2 Deferred premiums and agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
15.3 Accrued retrospective premiums (\$ ) and contracts subject to redetermination (\$ )	10,286,252		10,286,252	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers			0	1,451,310
16.2 Funds held by or deposited with reinsured companies			0	0
16.3 Other amounts receivable under reinsurance contracts			0	0
17. Amounts receivable relating to uninsured plans	35,076,300	796,481	34,279,819	52,381,814
18.1 Current federal and foreign income tax recoverable and interest thereon			0	0
18.2 Net deferred tax asset			0	0
19. Guaranty funds receivable or on deposit			0	0
20. Electronic data processing equipment and software	67,944,296	62,595,299	5,348,997	4,628,325
21. Furniture and equipment, including health care delivery assets (\$ )	6,199,779	6,199,779	0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23. Receivables from parent, subsidiaries and affiliates	10,473,065		10,473,065	20,563,208
24. Health care (\$ 18,128,200 ) and other amounts receivable	41,639,488	10,396,751	31,242,737	34,724,529
25. Aggregate write-ins for other than invested assets	12,625,192	8,857,650	3,767,542	3,941,013
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,061,174,674	90,446,593	970,728,081	917,833,886
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28. Total (Lines 26 and 27)	1,061,174,674	90,446,593	970,728,081	917,833,886
DETAILS OF WRITE-INS				
1101. Deposits	419,527		419,527	917,487
1102.			0	0
1103.			0	0
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	419,527	0	419,527	917,487
2501. Prepaid Expenses and Other Assets	12,625,192	8,857,650	3,767,542	3,941,013
2502.			0	0
2503.			0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	12,625,192	8,857,650	3,767,542	3,941,013

LIABILITIES, CAPITAL AND SURPLUS

	Current Year			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ .....0 reinsurance ceded) .....	140,588,125		140,588,125	109,333,927
2. Accrued medical incentive pool and bonus amounts .....	36,172,395		36,172,395	45,787,532
3. Unpaid claims adjustment expenses .....	1,931,173		1,931,173	1,504,182
4. Aggregate health policy reserves, including the liability of \$ .....0 for medical loss ratio rebate per the Public Health Service Act .....	9,441,178		9,441,178	11,431,410
5. Aggregate life policy reserves .....			0	0
6. Property/casualty unearned premium reserves .....			0	0
7. Aggregate health claim reserves .....			0	0
8. Premiums received in advance .....	42,816,392		42,816,392	47,848,921
9. General expenses due or accrued .....	72,688,751		72,688,751	59,832,433
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized capital gains (losses)) .....			0	0
10.2 Net deferred tax liability .....			0	0
11. Ceded reinsurance premiums payable .....			0	0
12. Amounts withheld or retained for the account of others .....	83,170		83,170	254,823
13. Remittances and items not allocated .....			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current) .....			0	30,016,358
15. Amounts due to parent, subsidiaries and affiliates .....	1,717,241		1,717,241	738,353
16. Derivatives .....			0	0
17. Payable for securities .....			0	0
18. Payable for securities lending .....			0	0
19. Funds held under reinsurance treaties (with \$ ..... authorized reinsurers, \$ .....0 unauthorized reinsurers and \$ .....0 certified reinsurers) .....			0	0
20. Reinsurance in unauthorized and certified (\$ ..... ) companies .....			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates .....			0	0
22. Liability for amounts held under uninsured plans .....	104,484,713		104,484,713	107,707,882
23. Aggregate write-ins for other liabilities (including \$ ..... current) .....	8,056,984	0	8,056,984	25,570,561
24. Total liabilities (Lines 1 to 23) .....	417,980,122	0	417,980,122	440,026,382
25. Aggregate write-ins for special surplus funds .....	XXX	XXX	0	17,467,664
26. Common capital stock .....	XXX	XXX		
27. Preferred capital stock .....	XXX	XXX		
28. Gross paid in and contributed surplus .....	XXX	XXX		
29. Surplus notes .....	XXX	XXX	0	413,795
30. Aggregate write-ins for other than special surplus funds .....	XXX	XXX	0	0
31. Unassigned funds (surplus) .....	XXX	XXX	552,747,959	459,926,045
32. Less treasury stock, at cost:				
32.1 ..... shares common (value included in Line 26 \$ ..... ) .....	XXX	XXX		
32.2 ..... shares preferred (value included in Line 27 \$ ..... ) .....	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32) .....	XXX	XXX	552,747,959	477,807,504
34. Total liabilities, capital and surplus (Lines 24 and 33) .....	XXX	XXX	970,728,081	917,833,886
DETAILS OF WRITE-INS				
2301. Quincy Mortgage .....	0		0	19,200,000
2302. Accrued Long Term Expenses .....	7,934,878		7,934,878	5,399,512
2303. Deferred Rent .....	122,106		122,106	971,049
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398)(Line 23 above) .....	8,056,984	0	8,056,984	25,570,561
2501. ACA Industry Fee – Data Year .....	XXX	XXX	0	17,467,664
2502. ....	XXX	XXX		0
2503. ....	XXX	XXX		0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	XXX	XXX	0	17,467,664
3001. ....	XXX	XXX		0
3002. ....	XXX	XXX		0
3003. ....	XXX	XXX		0
3098. Summary of remaining write-ins for Line 30 from overflow page .....	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above) .....	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

	Current Year		Prior Year
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	3,107,780	3,157,512
2. Net premium income ( including \$ ..... non-health premium income) .....	XXX	1,824,343,707	1,647,130,015
3. Change in unearned premium reserves and reserve for rate credits .....	XXX	(1,519,329)	
4. Fee-for-service (net of \$ ..... medical expenses) .....	XXX	0	
5. Risk revenue .....	XXX	0	
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	1,822,824,378	1,647,130,015
<b>Hospital and Medical:</b>			
9. Hospital/medical benefits .....		1,146,616,448	1,067,190,788
10. Other professional services .....		39,384,958	39,825,051
11. Outside referrals .....		45,109,388	44,904,250
12. Emergency room and out-of-area .....		19,607,147	18,954,114
13. Prescription drugs .....		242,035,402	234,458,341
14. Aggregate write-ins for other hospital and medical .....	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts .....		28,622,766	58,922,958
16. Subtotal (Lines 9 to 15) .....	0	1,521,376,109	1,464,255,502
<b>Less:</b>			
17. Net reinsurance recoveries .....		(44,825)	2,383,145
18. Total hospital and medical (Lines 16 minus 17) .....	0	1,521,420,934	1,461,872,357
19. Non-health claims (net) .....			
20. Claims adjustment expenses, including \$ .....26,123,210 cost containment expenses .....		49,954,486	44,379,742
21. General administrative expenses .....		200,476,828	161,601,313
22. Increase in reserves for life and accident and health contracts (including \$ ..... increase in reserves for life only) .....		2,038,750	764,522
23. Total underwriting deductions (Lines 18 through 22).....	0	1,773,890,998	1,668,617,934
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	48,933,380	(21,487,919)
25. Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		15,288,621	10,615,093
26. Net realized capital gains (losses) less capital gains tax of \$ .....		972,751	10,274,365
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	16,261,372	20,889,458
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... )] .....			
29. Aggregate write-ins for other income or expenses .....	0	(23,016,653)	(7,645,715)
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	42,178,099	(8,244,176)
31. Federal and foreign income taxes incurred .....	XXX		
32. Net income (loss) (Lines 30 minus 31) .....	XXX	42,178,099	(8,244,176)
<b>DETAILS OF WRITE-INS</b>			
0601. ....	XXX		0
0602. ....	XXX		0
0603. ....	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above) .....	XXX	0	0
0701. ....	XXX		0
0702. ....	XXX		0
0703. ....	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above) .....	XXX	0	0
1401. ....			0
1402. ....			0
1403. ....			0
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0
1499. Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above) .....	0	0	0
2901. Miscellaneous & Other Income/(Expense) .....		(23,016,653)	(7,645,715)
2902. ....			0
2903. ....			
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above) .....	0	(23,016,653)	(7,645,715)

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year	2 Prior Year
CAPITAL AND SURPLUS ACCOUNT		
33. Capital and surplus prior reporting year.....	477,807,504	456,802,057
34. Net income or (loss) from Line 32 .....	42,178,099	(8,244,176)
35. Change in valuation basis of aggregate policy and claim reserves .....		
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....	27,916,790	18,343,344
37. Change in net unrealized foreign exchange capital gain or (loss) .....		
38. Change in net deferred income tax .....		
39. Change in nonadmitted assets .....	4,528,488	11,388,484
40. Change in unauthorized and certified reinsurance .....	0	0
41. Change in treasury stock .....	0	0
42. Change in surplus notes .....	(413,795)	133,734
43. Cumulative effect of changes in accounting principles.....		
44. Capital Changes:		
44.1 Paid in .....	0	0
44.2 Transferred from surplus (Stock Dividend).....	0	0
44.3 Transferred to surplus.....		
45. Surplus adjustments:		
45.1 Paid in .....	0	0
45.2 Transferred to capital (Stock Dividend) .....		
45.3 Transferred from capital .....		
46. Dividends to stockholders .....		
47. Aggregate write-ins for gains or (losses) in surplus .....	730,873	(615,939)
48. Net change in capital and surplus (Lines 34 to 47) .....	74,940,455	21,005,447
49. Capital and surplus end of reporting period (Line 33 plus 48)	552,747,959	477,807,504
DETAILS OF WRITE-INS		
4701. Change in net prior service costs and recognized loss for postretirement medical plan .....	730,873	(615,939)
4702. ....		0
4703. ....		
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	730,873	(615,939)

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance .....	1,807,041,472	1,650,679,289
2. Net investment income .....	15,847,276	12,056,513
3. Miscellaneous income .....	555,244	(6,929,542)
4. Total (Lines 1 through 3) .....	1,823,443,992	1,655,806,260
5. Benefit and loss related payments .....	1,502,521,705	1,457,747,669
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7. Commissions, expenses paid and aggregate write-ins for deductions .....	214,594,370	183,747,367
8. Dividends paid to policyholders .....		
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses) .....	0	0
10. Total (Lines 5 through 9) .....	1,717,116,075	1,641,495,036
11. Net cash from operations (Line 4 minus Line 10) .....	106,327,917	14,311,224
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	68,018,341	62,103,290
12.2 Stocks .....	25,692,694	24,159,500
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	14,269,856	6,013,612
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	497,960	1,217,496
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	108,478,851	93,493,898
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	94,148,658	64,026,164
13.2 Stocks .....	3,545,038	18,469,519
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	1,385,488	13,287
13.5 Other invested assets .....	32,729,116	18,025,690
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	131,808,300	100,534,661
14. Net increase (decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(23,329,449)	(7,040,762)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	(413,795)	133,734
16.2 Capital and paid in surplus, less treasury stock .....	0	0
16.3 Borrowed funds .....	(30,016,358)	5,212,646
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied) .....	(26,916,432)	(35,145,949)
17. Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(57,346,585)	(29,799,569)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	25,651,883	(22,529,108)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year .....	42,419,458	64,948,565
19.2 End of year (Line 18 plus Line 19.1) .....	68,071,340	42,419,458

Note: Supplemental disclosures of cash flow information for non-cash transactions:

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ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Harvard Pilgrim Health Care, Inc.

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Net premium income .....	1,824,343,707	1,754,217,501					70,126,206			
2. Change in unearned premium reserves and reserve for rate credit .....	(1,519,329)	(1,519,329)								
3. Fee-for-service (net of \$ ..... medical expenses) .....	0									XXX
4. Risk revenue .....	0									XXX
5. Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	XXX
6. Aggregate write-ins for other non-health care related revenues .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7. Total revenues (Lines 1 to 6) .....	1,822,824,378	1,752,698,172	0	0	0	0	70,126,206	0	0	0
8. Hospital/medical benefits .....	1,146,616,448	1,086,733,394					59,883,054			XXX
9. Other professional services .....	39,384,958	38,328,257					1,056,701			XXX
10. Outside referrals .....	45,109,388	42,697,593					2,411,795			XXX
11. Emergency room and out-of-area .....	19,607,147	18,558,841					1,048,306			XXX
12. Prescription drugs .....	242,035,402	235,132,889					6,902,513			XXX
13. Aggregate write-ins for other hospital and medical .....	0	0	0	0	0	0	0	0	0	XXX
14. Incentive pool, withhold adjustments and bonus amounts .....	28,622,766	27,052,280					1,570,486			XXX
15. Subtotal (Lines 8 to 14) .....	1,521,376,109	1,448,503,254	0	0	0	0	72,872,855	0	0	XXX
16. Net reinsurance recoveries .....	(44,825)	(44,825)								XXX
17. Total medical and hospital (Lines 15 minus 16) .....	1,521,420,934	1,448,548,079	0	0	0	0	72,872,855	0	0	XXX
18. Non-health claims (net) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including \$ .....26,123,210 cost containment expenses .....	49,954,486	43,436,659					6,517,827			
20. General administrative expenses .....	200,476,828	155,575,860					10,943,178		33,957,790	
21. Increase in reserves for accident and health contracts .....	2,038,750						2,038,750			XXX
22. Increase in reserves for life contracts .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. Total underwriting deductions (Lines 17 to 22) .....	1,773,890,998	1,647,560,598	0	0	0	0	92,372,610	0	33,957,790	0
24. Total underwriting gain or (loss) (Line 7 minus Line 23) .....	48,933,380	105,137,574	0	0	0	0	(22,246,404)	0	(33,957,790)	0
DETAILS OF WRITE-INS .....										XXX
0501. ....										XXX
0502. ....										XXX
0503. ....										XXX
0598. Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	XXX
0601. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603. ....		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) .....	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301. ....										XXX
1302. ....										XXX
1303. ....										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0	0	0	0	0	0	0	XXX
1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) .....	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

	1	2	3	4
Line of Business	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical) .....	1,755,354,139		1,136,638	1,754,217,501
2. Medicare Supplement .....				0
3. Dental only .....				0
4. Vision only .....				0
5. Federal Employees Health Benefits Plan .....	0			0
6. Title XVIII - Medicare .....	70,156,717		30,511	70,126,206
7. Title XIX - Medicaid .....	0			0
8. Other health .....				0
9. Health subtotal (Lines 1 through 8) .....	1,825,510,856	0	1,167,149	1,824,343,707
10. Life .....	0			0
11. Property/casualty .....	0			0
12. Totals (Lines 9 to 11)	1,825,510,856	0	1,167,149	1,824,343,707



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct	1,463,651,551	1,392,617,008					71,034,543			
1.2 Reinsurance assumed	.0									
1.3 Reinsurance ceded	1,406,485	1,406,485								
1.4 Net	1,462,245,066	1,391,210,523	.0	.0	.0	.0	71,034,543	.0	.0	.0
2. Paid medical incentive pools and bonuses	38,237,903	36,517,190					1,720,713			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	140,588,125	132,301,997	.0	.0	.0	.0	8,286,128	.0	.0	.0
3.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
3.4 Net	140,588,125	132,301,997	.0	.0	.0	.0	8,286,128	.0	.0	.0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	.0	.0					.0			
4.2 Reinsurance assumed	.0									
4.3 Reinsurance ceded	.0									
4.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
5. Accrued medical incentive pools and bonuses, current year	36,172,395	34,970,507					1,201,888			
6. Net healthcare receivables (a)	2,152,393	1,696,940					455,453			
7. Amounts recoverable from reinsurers December 31, current year	.0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	109,333,927	101,771,077	.0	.0	.0	.0	7,562,850	.0	.0	.0
8.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.3 Reinsurance ceded	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
8.4 Net	109,333,927	101,771,077	.0	.0	.0	.0	7,562,850	.0	.0	.0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	.0									
9.2 Reinsurance assumed	.0									
9.3 Reinsurance ceded	.0									
9.4 Net	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Accrued medical incentive pools and bonuses, prior year	45,787,532	44,435,417					1,352,115			
11. Amounts recoverable from reinsurers December 31, prior year	1,451,310	1,451,310								
12. Incurred Benefits:										
12.1 Direct	1,492,753,356	1,421,450,988	.0	.0	.0	.0	71,302,368	.0	.0	.0
12.2 Reinsurance assumed	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
12.3 Reinsurance ceded	(44,825)	(44,825)	.0	.0	.0	.0	.0	.0	.0	.0
12.4 Net	1,492,798,181	1,421,495,813	.0	.0	.0	.0	71,302,368	.0	.0	.0
13. Incurred medical incentive pools and bonuses	28,622,766	27,052,280	.0	.0	.0	.0	1,570,486	.0	.0	.0

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	40,148,151	40,148,151								
1.2 Reinsurance assumed .....	0									
1.3 Reinsurance ceded .....	0									
1.4 Net .....	40,148,151	40,148,151	0	0	0	0	0	0	0	0
2. Incurred but Unreported:										
2.1 Direct .....	98,498,781	90,212,653					8,286,128			
2.2 Reinsurance assumed .....	0									
2.3 Reinsurance ceded .....	0									
2.4 Net .....	98,498,781	90,212,653	0	0	0	0	8,286,128	0	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....	1,941,193	1,941,193								
3.2 Reinsurance assumed .....	0									
3.3 Reinsurance ceded .....	0									
3.4 Net .....	1,941,193	1,941,193	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct .....	140,588,125	132,301,997	0	0	0	0	8,286,128	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0	0
4.4 Net .....	140,588,125	132,301,997	0	0	0	0	8,286,128	0	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical) .....	67,823,746	1,324,838,087	6,761,908	125,540,089	74,585,654	101,771,079
2. Medicare Supplement .....					0	0
3. Dental Only .....					0	0
4. Vision Only .....					0	0
5. Federal Employees Health Benefits Plan .....					0	0
6. Title XVIII - Medicare .....	6,782,102	64,252,441	76,199	8,209,929	6,858,301	7,562,850
7. Title XIX - Medicaid .....					0	0
8. Other health .....					0	0
9. Health subtotal (Lines 1 to 8) .....	74,605,848	1,389,090,528	6,838,107	133,750,018	81,443,955	109,333,929
10. Healthcare receivables (a) .....	0	19,596,200			0	17,443,807
11. Other non-health .....					0	0
12. Medical incentive pools and bonus amounts .....	29,396,702	8,841,200	4,686,723	31,485,672	34,083,425	45,787,531
13. Totals (Lines 9 - 10 + 11 + 12)	104,002,550	1,378,335,528	11,524,830	165,235,690	115,527,380	137,677,653

(a) Excludes \$ loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	99,181	98,179	99,616	99,616	99,616
2.	2014 .....	1,329,851	1,435,156	1,439,004	1,439,311	1,439,311
3.	2015 .....	XXX	1,388,666	1,486,219	1,487,812	1,486,575
4.	2016 .....	XXX	XXX	1,453,546	1,561,970	1,571,961
5.	2017 .....	XXX	XXX	XXX	1,295,303	1,382,286
6.	2018 .....	XXX	XXX	XXX	XXX	1,333,442

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	105,786	98,179	99,686	99,616	99,616
2.	2014 .....	1,451,994	1,445,647	1,439,004	1,439,311	1,439,311
3.	2015 .....	XXX	1,527,718	1,497,441	1,487,974	1,487,467
4.	2016 .....	XXX	XXX	1,597,126	1,573,654	1,573,746
5.	2017 .....	XXX	XXX	XXX	1,429,664	1,391,057
6.	2018 .....	XXX	XXX	XXX	XXX	1,489,266

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2014 .....	1,644,912	1,439,311	44,839	3.1	1,484,150	90.2	0	0	1,484,150	90.2
2. 2015 .....	1,678,589	1,486,575	39,347	2.6	1,525,922	90.9	892	10	1,526,824	91.0
3. 2016 .....	1,762,760	1,571,961	39,487	2.5	1,611,448	91.4	1,785	19	1,613,252	91.5
4. 2017 .....	1,583,093	1,382,286	40,211	2.9	1,422,497	89.9	8,771	95	1,431,363	90.4
5. 2018 .....	1,752,698	1,333,442	37,557	2.8	1,370,999	78.2	155,824	1,690	1,528,513	87.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Title XVIII

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	(49)	270	128	128	128
2.	2014 .....	888	1,279	1,195	1,195	1,195
3.	2015 .....	XXX	4,079	4,654	4,296	3,869
4.	2016 .....	XXX	XXX	19,926	22,522	16,925
5.	2017 .....	XXX	XXX	XXX	54,475	68,765
6.	2018 .....	XXX	XXX	XXX	XXX	64,490

Section B - Incurred Health Claims - Title XVIII

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	(49)	270	128	128	128
2.	2014 .....	1,287	1,286	1,195	1,195	1,195
3.	2015 .....	XXX	5,395	5,183	4,296	3,869
4.	2016 .....	XXX	XXX	23,375	23,155	17,001
5.	2017 .....	XXX	XXX	XXX	62,757	68,765
6.	2018 .....	XXX	XXX	XXX	XXX	73,901

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XVIII

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2014 .....	235	1,195	730	61.1	1,925	819.1	0	0	1,925	819.1
2. 2015 .....	5,481	3,869	543	14.0	4,412	80.5	0	0	4,412	80.5
3. 2016 .....	19,522	16,925	2,295	13.6	19,220	98.5	76	0	19,296	98.8
4. 2017 .....	64,037	68,765	4,846	7.0	73,611	115.0	0	0	73,611	115.0
5. 2018 .....	70,126	64,490	5,569	8.6	70,059	99.9	9,412	117	79,588	113.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS  
(\$000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	99,132	98,449	99,744	99,744	99,744
2.	2014 .....	1,330,739	1,436,435	1,440,199	1,440,506	1,440,506
3.	2015 .....	XXX	1,392,745	1,490,873	1,492,108	1,490,444
4.	2016 .....	XXX	XXX	1,473,472	1,584,492	1,588,886
5.	2017 .....	XXX	XXX	XXX	1,349,778	1,451,051
6.	2018 .....	XXX	XXX	XXX	XXX	1,397,932

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2014	2 2015	3 2016	4 2017	5 2018
1.	Prior .....	105,737	98,449	99,814	99,744	99,744
2.	2014 .....	1,453,281	1,446,933	1,440,199	1,440,506	1,440,506
3.	2015 .....	XXX	1,533,113	1,502,624	1,492,270	1,491,336
4.	2016 .....	XXX	XXX	1,620,501	1,596,809	1,590,747
5.	2017 .....	XXX	XXX	XXX	1,492,421	1,459,822
6.	2018 .....	XXX	XXX	XXX	XXX	1,563,167

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1  Premiums Earned	2  Claims Payment	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10  (Col. 9/1) Percent
1. 2014 .....	1,645,147	1,440,506	45,569	3.2	1,486,075	90.3	0	0	1,486,075	90.3
2. 2015 .....	1,684,070	1,490,444	39,890	2.7	1,530,334	90.9	892	10	1,531,236	90.9
3. 2016 .....	1,782,282	1,588,886	41,782	2.6	1,630,668	91.5	1,861	19	1,632,548	91.6
4. 2017 .....	1,647,130	1,451,051	45,057	3.1	1,496,108	90.8	8,771	95	1,504,974	91.4
5. 2018 .....	1,822,824	1,397,932	43,126	3.1	1,441,058	79.1	165,236	1,807	1,608,101	88.2

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1	2	3	4	5	6	7	8	9
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other
1. Unearned premium reserves .....	0								
2. Additional policy reserves (a) .....	4,462,980						4,462,980		
3. Reserve for future contingent benefits .....	0								
4. Reserve for rate credits or experience rating refunds (including \$ ..... ) for investment income .....	4,978,198	4,978,198							
5. Aggregate write-ins for other policy reserves .....	0	0	0	0	0	0	0	0	0
6. Totals (gross) .....	9,441,178	4,978,198	0	0	0	0	4,462,980	0	0
7. Reinsurance ceded .....	0								
8. Totals (Net)(Page 3, Line 4) .....	9,441,178	4,978,198	0	0	0	0	4,462,980	0	0
9. Present value of amounts not yet due on claims .....	0								
10. Reserve for future contingent benefits .....	0								
11. Aggregate write-ins for other claim reserves .....	0	0	0	0	0	0	0	0	0
12. Totals (gross) .....	0	0	0	0	0	0	0	0	0
13. Reinsurance ceded .....	0								
14. Totals (Net)(Page 3, Line 7)	0	0	0	0	0	0	0	0	0
DETAILS OF WRITE-INS									
0501. ....									
0502. ....									
0503. ....									
0598. Summary of remaining write-ins for Line 5 from overflow page.....	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101. ....									
1102. ....									
1103. ....									
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes \$ .....4,462,980 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

	Claim Adjustment Expenses		3	4	5
	1	2			
	Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent (\$ ..... for occupancy of own building) .....	858,221	628,495	2,457,147		3,943,863
2. Salary, wages and other benefits .....	19,968,493	14,623,383	57,171,173		91,763,049
3. Commissions (less \$ ..... ceded plus \$ ..... assumed) .....			39,942,856		39,942,856
4. Legal fees and expenses .....	213,237	156,159	610,513		979,909
5. Certifications and accreditation fees .....	12,485	9,143	35,745		57,373
6. Auditing, actuarial and other consulting services ....	4,126,880	3,022,208	11,815,542		18,964,630
7. Traveling expenses .....	290,599	212,813	832,006		1,335,418
8. Marketing and advertising .....			5,204,911		5,204,911
9. Postage, express and telephone .....	929,103	680,403	2,660,086		4,269,592
10. Printing and office supplies .....	308,668	226,045	883,738		1,418,451
11. Occupancy, depreciation and amortization .....	727,825	533,003	2,083,814		3,344,642
12. Equipment .....	46,772	34,252	133,912		214,936
13. Cost or depreciation of EDP equipment and software .....	3,801,365	2,783,826	10,883,570		17,468,761
14. Outsourced services including EDP, claims, and other services .....	19,307,363	14,139,223	55,278,314		88,724,900
15. Boards, bureaus and association fees .....					0
16. Insurance, except on real estate .....	104,413	76,464	298,942		479,819
17. Collection and bank service charges .....					0
18. Group service and administration fees .....					0
19. Reimbursements by uninsured plans .....	(26,712,869)	(14,861,791)	(25,193,559)		(66,768,219)
20. Reimbursements from fiscal intermediaries .....					0
21. Real estate expenses .....					0
22. Real estate taxes .....	109,234	79,995	312,745		501,974
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes .....					0
23.2 State premium taxes .....			2,965,872		2,965,872
23.3 Regulatory authority licenses and fees .....			26,283,404		26,283,404
23.4 Payroll taxes .....	1,122,376	821,941	3,213,439		5,157,756
23.5 Other (excluding federal income and real estate taxes) .....					0
24. Investment expenses not included elsewhere .....				1,921,924	1,921,924
25. Aggregate write-ins for expenses .....	909,045	665,714	2,602,658	0	4,177,417
26. Total expenses incurred (Lines 1 to 25) .....	26,123,210	23,831,276	200,476,828	1,921,924	(a) .....252,353,238
27. Less expenses unpaid December 31, current year ..		1,931,173	72,688,751		74,619,924
28. Add expenses unpaid December 31, prior year .....		1,504,182	59,832,433		61,336,615
29. Amounts receivable relating to uninsured plans, prior year .....			53,825,285		53,825,285
30. Amounts receivable relating to uninsured plans, current year .....			35,076,300		35,076,300
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	26,123,210	23,404,285	168,871,525	1,921,924	220,320,944
DETAILS OF WRITE-INS					
2501. Miscellaneous expenses .....	909,045	665,714	2,602,658		4,177,417
2502. ....					
2503. ....					
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	909,045	665,714	2,602,658	0	4,177,417

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.



EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U.S. government bonds .....	(a) .....168,773	.....168,111
1.1	Bonds exempt from U.S. tax .....	(a) .....	.....
1.2	Other bonds (unaffiliated) .....	(a) .....8,190,363	.....8,415,980
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) .....	.....
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....3,422,118	.....3,459,914
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....	.....
5	Contract Loans .....	.....	.....
6	Cash, cash equivalents and short-term investments .....	(e) .....1,134,226	.....1,197,268
7	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....4,505,096	.....4,858,064
9.	Aggregate write-ins for investment income .....	.....0	.....0
10.	Total gross investment income .....	17,420,575	18,099,337
11.	Investment expenses .....		(g) .....1,921,924
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....0
13.	Interest expense .....		(h) .....888,792
14.	Depreciation on real estate and other invested assets .....		(i) .....
15.	Aggregate write-ins for deductions from investment income .....		.....0
16.	Total deductions (Lines 11 through 15) .....		.....2,810,716
17.	Net investment income (Line 10 minus Line 16)		15,288,621
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		.....0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

- (a) Includes \$ .....108,981 accrual of discount less \$ .....1,267,610 amortization of premium and less \$ .....117,100 paid for accrued interest on purchases.
- (b) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued dividends on purchases.
- (c) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ ..... interest on encumbrances.
- (e) Includes \$ ..... accrual of discount less \$ ..... amortization of premium and less \$ ..... paid for accrued interest on purchases.
- (f) Includes \$ ..... accrual of discount less \$ ..... amortization of premium.
- (g) Includes \$. ..... investment expenses and \$ ..... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$ ..... interest on surplus notes and \$ ..... interest on capital notes.
- (i) Includes \$ ..... depreciation on real estate and \$ ..... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) On Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....0	.....0	.....0	.....0	.....0
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....0	.....	.....
1.2	Other bonds (unaffiliated) .....	.....26,571	.....0	.....26,571	.....(2,586)	.....0
1.3	Bonds of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.1	Preferred stocks (unaffiliated) .....	.....0	.....0	.....0	.....0	.....0
2.11	Preferred stocks of affiliates .....	.....0	.....0	.....0	.....0	.....0
2.2	Common stocks (unaffiliated) .....	.....499,004	.....0	.....499,004	.....(15,708,142)	.....0
2.21	Common stocks of affiliates .....	.....0	.....0	.....0	.....39,013,702	.....0
3.	Mortgage loans .....	.....	.....0	.....0	.....0	.....0
4.	Real estate .....	.....(1,985)	.....0	.....(1,985)	.....	.....0
5.	Contract loans .....	.....	.....	.....0	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....0	.....	.....
7.	Derivative instruments .....	.....	.....	.....0	.....	.....
8.	Other invested assets .....	.....449,160	.....0	.....449,160	.....4,613,816	.....0
9.	Aggregate write-ins for capital gains (losses) .....	.....0	.....0	.....0	.....0	.....0
10.	Total capital gains (losses)	972,751	0	972,751	27,916,790	0
DETAILS OF WRITE-INS						
0901.	.....					
0902.	.....					
0903.	.....					
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....0	.....0	.....0	.....0	.....0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0	0	0	0

EXHIBIT OF NON-ADMITTED ASSETS

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D) .....			0
2. Stocks (Schedule D):			
2.1 Preferred stocks .....			0
2.2 Common stocks .....	582,127	512,126	(70,001)
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens .....			0
3.2 Other than first liens.....			0
4. Real estate (Schedule A):			
4.1 Properties occupied by the company .....			0
4.2 Properties held for the production of income.....			0
4.3 Properties held for sale .....			0
5. Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA) .....			0
6. Contract loans .....			0
7. Derivatives (Schedule DB) .....			0
8. Other invested assets (Schedule BA) .....			0
9. Receivables for securities .....			0
10. Securities lending reinvested collateral assets (Schedule DL) .....			0
11. Aggregate write-ins for invested assets .....	0	0	0
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	582,127	512,126	(70,001)
13. Title plants (for Title insurers only) .....			0
14. Investment income due and accrued .....			0
15. Premiums and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection .....	1,018,506	1,588,118	569,612
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			0
15.3 Accrued retrospective premiums and contracts subject to redetermination .....			0
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers .....			0
16.2 Funds held by or deposited with reinsured companies .....			0
16.3 Other amounts receivable under reinsurance contracts .....			0
17. Amounts receivable relating to uninsured plans .....	796,481	1,443,471	646,990
18.1 Current federal and foreign income tax recoverable and interest thereon .....			0
18.2 Net deferred tax asset .....			0
19. Guaranty funds receivable or on deposit .....			0
20. Electronic data processing equipment and software .....	62,595,299	69,976,738	7,381,439
21. Furniture and equipment, including health care delivery assets .....	6,199,779	7,853,687	1,653,908
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0
23. Receivable from parent, subsidiaries and affiliates .....			0
24. Health care and other amounts receivable .....	10,396,751	5,317,811	(5,078,940)
25. Aggregate write-ins for other than invested assets .....	8,857,650	8,283,130	(574,520)
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	90,446,593	94,975,081	4,528,488
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0
28. Total (Lines 26 and 27) .....	90,446,593	94,975,081	4,528,488
DETAILS OF WRITE-INS			
1101. ....		0	0
1102. ....		0	0
1103. ....		0	0
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above) .....	0	0	0
2501. Prepaid Expenses and Other Assets .....	8,857,650	8,283,130	(574,520)
2502. ....		0	0
2503. ....		0	0
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above) .....	8,857,650	8,283,130	(574,520)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment	Total Members at End of					6 Current Year Member Months
	1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	
1. Health Maintenance Organizations .....	218,470	216,266	226,330	223,984	220,551	2,810,131
2. Provider Service Organizations .....						
3. Preferred Provider Organizations .....	28,503	38,463	27,831	27,649	28,084	248,244
4. Point of Service .....	3,165	5,267	5,497	6,284	6,938	49,405
5. Indemnity Only .....						
6. Aggregate write-ins for other lines of business.....	0	0	0	0	0	0
7. Total	250,138	259,996	259,658	257,917	255,573	3,107,780
DETAILS OF WRITE-INS						
0601. ....						
0602. ....						
0603. ....						
0698. Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

1. Summary of Significant Accounting Policies and Going Concern

A. Accounting Practices

The accompanying financial statements of Harvard Pilgrim Health Care, Inc. ("Harvard Pilgrim" or the "Company") have been prepared in accordance with the National Association of Insurance Commissioners ("NAIC") Accounting Practices and Procedures Manual for statutory accounting principles ("NAIC SAP"), which do not differ from the accounting practices prescribed or permitted by the Division of Insurance of the Commonwealth of Massachusetts.

Harvard Pilgrim's net income and capital and surplus, based on NAIC SAP and practices prescribed and permitted by the Commonwealth of Massachusetts, are shown below:

	SSAP #	F/S Page	F/S Line #	2018	2017
NET INCOME (LOSS)					
(1) State basis (Page 4, Line 32, Columns 2 & 3)	XXX	XXX	XXX	\$ 42,178,099	\$ (8,244,176)
(2) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(3) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 42,178,099	\$ (8,244,176)
SURPLUS					
(5) State basis (Page 3, Line 33, Columns 3 & 4)	XXX	XXX	XXX	\$ 552,747,959	\$ 477,807,504
(6) State Prescribed Practices that are an increase/(decrease) from NAIC SAP:					
(7) State Permitted Practices that are an increase/(decrease) from NAIC SAP:					
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 552,747,959	\$ 477,807,504

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in accordance with NAIC SAP requires that management make estimates and assumptions which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The methods and assumptions used for making such estimates are reviewed regularly. Actual results could differ from those estimates. The claims unpaid liability, accrued medical incentive pool liability, valuation of investments, medical loss ratio rebate accrual ("MLR"), accrued retrospective premiums, and accruals for risk-sharing provisions under the Federal Affordable Care Act ("ACA") represent the Company's most significant estimates.

C. Accounting Policies

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit with banks and government and corporate debt issues with original maturities of three months or less. Money market mutual funds registered under the Investment Company Act of 1940 and regulated under rule 2a-7 of the Act shall be accounted for and reported as cash equivalents.

Bonds and Preferred Stock

Investments in bonds and preferred stock are stated at amortized cost or the lower of amortized cost or fair value based on their NAIC designation. Investments in bonds are primarily comprised of government and corporate debt issues and asset-backed/mortgage-backed securities. Realized gains and losses are determined using the specific identification method and are included in investment income. Investment income is reported net of expenses related to the management and custody of investments.

Loan-backed Securities

Loan-backed securities are reported at cost upon acquisition, and amortization of premium or discount is calculated using the scientific method and recorded as an adjustment to investment income. These securities are stated at either amortized cost or the lower of amortized cost or fair value. The retrospective adjustment method is used to value all securities.

Common Stock

Common stock includes the investment in equity securities, which are stated at fair value, and the investment in unconsolidated subsidiaries which is recorded using the equity method. For the insurance subsidiaries, HPHC Insurance Company, Inc. (the "Insurance Company"), Harvard Pilgrim Health Care of New England, Inc. ("New England"), and Harvard Pilgrim Health Care of Connecticut, Inc. ("HPHC of CT"), the investments are carried at the statutory net worth of the subsidiaries. For the non-insurance subsidiaries, the investments are carried at the Generally Accepted Accounting Principles ("GAAP") equity of the investee. All changes to the carrying value of the subsidiaries are recorded as a component of unrealized gains and losses. Unrealized gains and losses are recorded directly to statutory net worth.

**Real Estate, Furniture and Equipment**

Real estate (including improvements), furniture and electronic data processing (EDP) equipment are carried at depreciated cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	20–40 years
Equipment, furniture, and fixtures	3–20 years
Computer software and operating systems	3–5 years

Amortization of leasehold improvements is calculated using the shorter of the asset’s estimated useful life or related lease term.

Harvard Pilgrim has not made material modifications to its capitalization policy from the prior period.

**Other Invested Assets**

Harvard Pilgrim invests in certain joint ventures and limited partnerships and reports the investments in accordance with Statement of Statutory Accounting Principles No. 48, *Joint Ventures, Partnerships and Limited Liability Companies*. These investments are included in Other Invested Assets on the balance sheet. All changes to the carrying value of these investments are recorded as a component of unrealized gains and losses which are recorded directly to statutory net worth.

**Investment in Limited Liability Company**

Harvard Pilgrim is the sole corporate member in a limited liability company, Harvard Pilgrim Health Care Institute, LLC (the “Institute”). The carrying value of this company is equal to its net equity based on generally accepted accounting principles, and is treated as an admitted asset reported as other invested assets in the financial statements in accordance with Statement of Statutory Accounting Principles SSAP No. 48, *Joint Ventures, Partnerships and Limited Liability Companies* (“SSAP No. 48”). All changes to the carrying value of the Institute are recorded as a component of unrealized gains and losses. Unrealized gains and losses are recorded directly to statutory net worth.

**Pharmaceutical Rebate Receivables**

Harvard Pilgrim contracts with pharmaceutical manufacturers, some of which provide rebates based on use of the manufacturers’ products by Harvard Pilgrim members. Harvard Pilgrim accrues rebates receivable on a monthly basis, which are included as a component of premium and health care receivables or uninsured plan receivables, based on the terms of the applicable contracts, historical data and current estimates. Harvard Pilgrim bills these rebates to the manufacturers on a quarterly basis. Harvard Pilgrim records rebates attributable to fully insured members as a reduction in medical costs.

**Goodwill**

Goodwill represents the amount by which the cost of acquiring an entity exceeds the book value of the acquired entity. Goodwill is amortized over the period in which Harvard Pilgrim benefits economically, not to exceed ten years and is charged directly to statutory net worth. Positive goodwill resulting from a business combination is included in the carrying value of the investment in the acquired entity in the statutory statement of admitted assets, liabilities and statutory net worth.

**Premium Deficiency Reserve**

Harvard Pilgrim evaluates its health care contracts to determine if it is probable that a loss will be incurred. A premium deficiency loss is recognized when it is probable that expected future paid claims, administrative expenses, and reserves will exceed existing reserves plus anticipated future premiums on existing contracts. Anticipated investment income is considered in the calculation of premium deficiency losses.

**Claims Unpaid, Accrued Medical Incentive Pool and Unpaid Claims Adjustment Expenses**

Harvard Pilgrim records claims unpaid, for both reported and incurred but not reported claims, which are expected to be paid after year-end for services provided to members in the current year based on Harvard Pilgrim’s claim experience. This liability includes the estimated cost of services that will continue to be rendered after year-end for which Harvard Pilgrim is obligated to pay for such services in accordance with contract provisions or regulatory requirements. The amount of the estimated liability is actuarially determined based on historical claims data, current membership statistics, cost and utilization trends, and other related information and considers expected losses, if any, on existing contracts. This liability is an estimate, which is subject to the impact of changes in claim severity and frequency, as well as numerous other factors. Accordingly, this estimate is continuously reviewed and, as adjustments become necessary, they are reflected in current operations.

Harvard Pilgrim records an accrued medical incentive pool liability based on contractual arrangements with various health care providers. Compensation arrangements vary by provider. Hospital and medical expenses include claims payments, capitation payments, and various other costs incurred to provide and manage medical care provided to members, as well as estimates of future payments to hospitals and others for medical care provided to members in the current year based on Harvard Pilgrim’s claims experience. Certain providers are paid on a fee for service basis and can be eligible for bonuses based on meeting prescribed quality performance measures. Harvard Pilgrim pays capitation under contractual agreements to a number of physicians and provider groups based on the number of enrolled Harvard Pilgrim members served by each physician or provider group. Certain providers have entered into risk-sharing arrangements with Harvard Pilgrim, whereby a settlement is calculated by comparing actual medical claims experience to a budgeted amount based upon contractual arrangements. These settlements are estimated and accrued during the period the related services were rendered and adjusted in future periods as final settlements are determined.

Estimated settlements for these risk-sharing arrangements are reflected in the accrued medical incentive pool liability or health care receivables.

Harvard Pilgrim records a related unpaid claim adjustment expense ("CAE") liability to reflect the cost to adjudicate the claims unpaid as of year-end. The unpaid CAE liability is estimated as a percentage of the claims unpaid based on historical information on the administrative cost to adjudicate a claim.

### **Retrospectively Rated Premium**

Harvard Pilgrim sells health policies for which the premiums vary based on loss experience. The Company estimates retrospective premium adjustments through the review of each retrospectively rated account, comparing the claim development with that anticipated in the policy contracts. Any accrued retrospective premiums are recorded through premiums. Harvard Pilgrim records its liability for MLR rebates in aggregate health policy reserves based on the requirements of the ACA in accordance with SSAP No. 66, *Retrospectively Rated Contracts* ("SSAP No. 66"). SSAP No. 66 requires Harvard Pilgrim to accrue for the estimated amount of premiums to be returned retrospectively to an employer group or member as an adjustment to premium revenue. Harvard Pilgrim estimates the amount of the retrospective rebate based on the difference between the estimated MLR of each employer group segment as defined in the ACA, as of December 31st of each year, and the minimum MLR requirements for those employer group segments either under ACA requirements or individual state requirements, if the state has a higher MLR standard than the ACA. The Commonwealth of Massachusetts has set an MLR threshold of 88% for 2018 for the merged market segments as defined by Massachusetts state law. See Note 24.

### **Nonadmitted Assets**

Certain assets, principally furniture, leasehold improvement, prepaid expenses, investment in unconsolidated subsidiary, past due premium, healthcare receivables, uninsured plan receivables, past due receivables from subsidiaries and affiliates, risk corridor receivables, EDP equipment and capitalized software in excess of the admissibility criteria are nonadmitted and, as such, are not included in statutory surplus.

### **Revenue Recognition**

Premiums are recorded as revenue in the month for which members are entitled to service. Premium revenue collected prior to the month for which the member is entitled to service is recorded as premiums received in advance. Harvard Pilgrim's government contracts establish monthly rates per member, and there may be additional amounts due to Harvard Pilgrim based on items such as age, working status, or specific health issues of the member. The Center for Medicare & Medicaid Services ("CMS") has implemented a risk adjustment formula, which apportions premiums paid to all Medicare Advantage health plans according to the health status of each beneficiary enrolled.

### **Assessments**

In accordance with SSAP No. 35R, *Revised, Guaranty Fund and Other Assessments*, insurance-related assessments are recognized as liabilities when certain conditions are met. The assessments are recorded as administrative expenses, except for certain health related assessments which are recorded as a component of hospital and medical expenses.

### **Risk Sharing Provisions of the Affordable Care Act**

Beginning in 2014, the ACA has included three programs designed to stabilize the health insurance market ("3Rs"): a transitional reinsurance program ("ACA Reinsurance"), a temporary risk corridor program ("Risk Corridor"), and a permanent risk adjustment program ("Risk Adjustment").

#### Reinsurance

The ACA established a temporary three-year reinsurance program, whereby all issuers of major medical commercial insurance products and self-insured plan sponsors are required to contribute funding in amounts set by the U.S. Department of Health and Human Services ("HHS"). Funds collected will be utilized to reimburse issuers' high cost claims costs incurred for qualified individual members. The expense related to this required funding is reflected in general administrative expenses for all of Harvard Pilgrim's insurance products with the exception of products associated with qualified individual members; this expense for qualified individual members is reflected as a reduction of premium revenue. If annual claim costs incurred by Harvard Pilgrim's qualified individual members exceed a specified attachment point, the Company is entitled to certain reimbursements from this program, which are recorded as a reduction in hospital and medical expenses. The ACA Reinsurance program was effective for plan years beginning in 2014 through 2016.

#### Risk Adjustment

The ACA established a permanent risk adjustment program to transfer funds from qualified individual and small group insurance plans with below average risk scores to those respective plans with above average risk scores. Based on the risk of Harvard Pilgrim's qualified plan members relative to the average risk of members of other qualified plans in comparable markets, the Company estimates its risk adjustment receivable or payable and reflects the impact as an adjustment to premium revenue. Beginning with the 2018 benefit year, the ACA risk adjustment methodology incorporates a high-cost risk pool calculation, which adds a reinsurance element to the risk adjustment program which is referred to as high-cost risk pooling. The adjustments to premium revenue are calculated including the high cost risk pool aspect of this program

#### Risk Corridor

The ACA established a temporary three-year risk-sharing program for qualified individual and small group insurance plans. Under this program, Harvard Pilgrim could make or receive payments to or from HHS based on the ratio of allowable costs to target costs as defined by the ACA. Harvard Pilgrim records a risk corridor receivable or payable as an adjustment to premium revenue. If collections for a particular year are insufficient to meet the full obligation for that year, then HHS will reduce payments for that year on a pro rata basis to the extent of any shortfall. Additionally, any collections made in subsequent years would first be applied to the

unpaid balances of preceding years in accordance with NAIC Interpretation 15-01: *ACA Risk Corridors Collectability*. Harvard Pilgrim considered the most recent and reliable information in its estimate of the collectability of the ACA Risk Corridor program. The Risk Corridor program was effective for plan years beginning in 2014 through 2016.

#### **Other**

Accounting policies are not applicable for mortgage loans and derivatives.

#### **D. Going Concern**

Management continually evaluates the Company's ability to continue as a going concern. After considering management's plans, potential events and principal conditions, there is no substantial doubt about the Company's ability to continue as a going concern.

### **2. Accounting Changes and Corrections of Errors**

There were no accounting changes or corrections of errors for the years ended December 31, 2018 and 2017.

### **3. Business Combinations and Goodwill**

Harvard Pilgrim did not have any business combinations or record any goodwill for the years ended December 31, 2018 and 2017.

### **4. Discontinued Operations**

Harvard Pilgrim had no discontinued operations for the years ended December 31, 2018 and 2017.

### **5. Investments**

#### **A. Mortgage Loans – None**

#### **B. Debt Restructuring – None**

#### **C. Reverse Mortgages – None**

#### **D. Loan-Backed Securities**

- (1) Prepayment assumptions for single class and multiclass mortgage-backed / asset-backed securities were obtained from third party providers.
- (2) The Company has the ability and intent to retain all loan-backed and structured securities for the period of time sufficient to recover the amortized cost basis. The Company did not recognize any other-than-temporary impairment during 2018 and 2017.
- (3) The Company did not hold any securities with an other-than-temporary impairment on December 31, 2018 and December 31, 2017.
- (4) For all impaired securities (fair value is less than cost or amortized cost) for which other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains), the aggregate amount of unrealized losses and related fair value as of December 31, 2018 are as follows:

a. The aggregate amount of unrealized losses:	
1. Less than 12 Months	\$ (340,494)
2. 12 Months or Longer	\$ (2,164,569)
b. The aggregate related fair value of securities with unrealized losses:	
1. Less than 12 Months	\$ 36,625,582
2. 12 Months or Longer	\$ 80,537,132

#### **E. Dollar Repurchase Agreements and/or Securities Lending Transactions – None**

#### **F. Repurchase Agreements Transactions Accounted for as Secured Borrowing – None**

#### **G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing – None**

#### **H. Repurchase Agreements Transactions Accounted for as a Sale – None**

#### **I. Reverse Repurchase Agreements Transactions Accounted for as a Sale – None**

#### **J. Real Estate**

- (1) The Company did not recognize any real estate impairment losses.

- (2) The Company did not classify any real estate investments as held for sale as of December 31, 2018.
- (3) The Company had no plan of sale for an investment in real estate.
- (4) The Company does not engage in retail land sales operations.
- (5) The Company does not hold real estate investments with mortgage loans as of December 31, 2018.

K. Low-Income Housing Tax Credits (LIHTC) – None

L. Restricted Assets

- (1) Restricted assets (including pledged):

Restricted Asset Category		1	2	3	4	5	6	7
		Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase / (Decrease) (1 minus 2)	Total Current Year Nonadmitted Restricted	Total Current Year Admitted Restricted (1 minus 4)	Gross (Admitted & Nonadmitted) Restricted to Total Assets (a)	Admitted Restricted to Total Admitted Assets (b)
a	Subject to contractual obligation for which liability is not shown	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b	Collateral held under security lending agreements	-	-	-	-	-	-	-
c	Subject to repurchase agreements	-	-	-	-	-	-	-
d	Subject to reverse repurchase agreements	-	-	-	-	-	-	-
e	Subject to dollar repurchase agreements	-	-	-	-	-	-	-
f	Subject to dollar reverse repurchase agreements	-	-	-	-	-	-	-
g	Placed under option contracts	-	-	-	-	-	-	-
h	Letter stock or securities restricted as to sale - excluding FHLB capital stock	-	-	-	-	-	-	-
i	FHLB capital stock	463,700	1,621,500	(1,157,800)	-	463,700	0.04%	0.05%
j	On deposit with states	3,330,679	3,371,184	(40,505)	-	3,330,679	0.31%	0.34%
k	On deposit with other regulatory bodies	-	-	-	-	-	-	-
l	Pledged collateral to FHLB (including assets backing funding agreements)	-	33,531,355	(33,531,355)	-	-	0.00%	0.00%
m	Pledged as collateral not captured in other categories	-	-	-	-	-	-	-
n	Other restricted assets	-	497,959	(497,959)	-	-	0.00%	0.00%
o	Total Restricted Assets	\$ 3,794,379	\$39,021,998	\$(35,227,619)	\$ -	\$ 3,794,379	0.36%	0.39%

- (a) Column 1 divided by Asset Page, Column 1, Line 26
- (b) Column 5 divided by Asset Page, Column 3, Line 28

- (2) Details of Assets Pledged as Collateral Not Captured in Other Categories – None

- (3) Details of Other Restricted Assets:

Description of Assets	1	2	3	4	5	6
	Total Gross (Admitted & Nonadmitted) Restricted from Current Year	Total Gross (Admitted & Nonadmitted) Restricted from Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Gross (Admitted & Nonadmitted) Restricted to Total Assets	Admitted Restricted to Total Admitted Assets
Amounts restricted in compliance with requirements of debt service agreement	\$ -	\$ 497,959	\$ (497,959)	\$ -	0.00%	0.00%
Total	\$ -	\$ 497,959	\$ (497,959)	\$ -	0.00%	0.00%

- (4) Collateral Received and Reflected as Assets within the Reporting Entity’s Financial Statements – None

M. Working Capital Finance Investments – None

N. Offsetting and Netting of Assets and Liabilities – None

O. Structured Notes – None

P. 5GI Securities – None

Q. Short Sales – None

R. Prepayment Penalty and Acceleration Fees

General Account

- (1) Number of CUSIPs 6
- (2) Aggregate Amount of Investment Income \$12,613

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. Harvard Pilgrim did not have any investments in joint ventures, partnerships or limited liability companies that exceeded 10% of its admitted assets at December 31, 2018 and 2017.
- B. Harvard Pilgrim recognized an impairment write down for its investments in joint ventures, partnerships or limited liability companies of \$0 and \$1.7 million for the years ended December 31, 2018 and 2017,



respectively.

## 7. Investment Income

- A.** All investment income due and accrued with amounts that are over 90 days past due are nonadmitted and excluded from surplus.
- B.** Harvard Pilgrim did not have nonadmitted investment income due and accrued for the years ended December 31, 2018 and 2017.

## 8. Derivative Instruments

Harvard Pilgrim did not hold any derivative instruments at December 31, 2018 and 2017.

## 9. Income Taxes

Harvard Pilgrim is tax exempt under section 501(C)(3) of the Internal Revenue code.

## 10. Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

**A – L.** On November 9, 2016, the Harvard Pilgrim Board of Directors approved certain changes to the Company's governance structure. In the new governance structure, which was approved by the Massachusetts Division of Insurance on December 23, 2016 and effective January 1, 2017, Harvard Pilgrim formed New HPHC Holding Corporation ("NEWCO") as a new wholly owned Delaware C corporation. All of Harvard Pilgrim's for-profit entities were contributed to NEWCO. NEWCO's Board of Directors consists entirely of Harvard Pilgrim management.

NEWCO is a wholly owned subsidiary of Harvard Pilgrim, and acts as a downstream noninsurance holding company with no book value or assets other than the audited value of its subsidiary for-profit entities. When valuing its investment in NEWCO, Harvard Pilgrim utilizes the look-through approach in accordance with SSAP No. 97, which allows the Company to admit the value of its downstream noninsurance holding company provided that the entities owned by the downstream noninsurance holding company have annual audited financial statements. NEWCO has no liabilities, commitments, contingencies, guarantees or obligations to be considered in Harvard Pilgrim's determination of its carrying value.

Harvard Pilgrim conducts transactions with a number of affiliates. Harvard Pilgrim provides all administrative and operational management services to the Insurance Company, New England, and HPHC of CT. Harvard Pilgrim also provides certain administrative and operational services to Health Plans, Inc. ("HPI"). Administrative expenses, including CAE, are allocated to the Insurance Company, New England, HPHC of CT, and HPI based on Harvard Pilgrim's departmental cost allocation methodology. There are certain operating expenses incurred by HPI, HPHC Holding Corporation ("Holdings"), and HPHC Insurance Agency, Inc. (the "Agency"), which are initially paid for by Harvard Pilgrim and reimbursed to the Company. HPI administers certain products on behalf of the Insurance Company. The Insurance Company pays a fee to HPI for the services performed administering those products. HPI pays fees to access the Harvard Pilgrim provider network.

Harvard Pilgrim makes contributions to Harvard Pilgrim Health Care Foundation, Inc. (the "Foundation") and the Institute to support their ongoing operations. The Foundation reimburses Harvard Pilgrim for expenses paid on its behalf.

Intercompany balances are settled quarterly, following the close of the quarter. Below is a summary of transactions with affiliates for the years ended December 31, 2018 and 2017:

Affiliate	2018		
	Capital Contributions/ (Return of Capital)	Administrative Expenses and CAE	Harvard Pilgrim Receivable/ (Payable)
The Insurance Company	\$ -	\$ 92,177,968 (a)	\$ 2,495,251
New England	-	51,095,526	7,186,376
HPHC of CT	-	1,477,463	(1,165,909)
Holdings	-	-	312,616
HPI	-	4,565,099 (a)	(274,904)
The Foundation	14,332,601	837,721	389,121
The Agency	-	-	89,701
The Institute	5,367,508	6,552,644	(276,428)
Total	<u>\$ 19,700,109</u>	<u>\$ 156,706,421</u>	<u>\$ 8,755,824</u>

- (a) Amounts include administrative fees paid by the Insurance Company to HPI of \$187 thousand. Amounts also include \$2.5 million in HPI access fees, which were paid by HPI and earned by the Insurance Company.

Affiliate	2017		
	Capital Contributions/ (Return of Capital)	Administrative Expenses and CAE	Harvard Pilgrim Receivable/ (Payable)
The Insurance Company	\$ -	\$ 89,278,750 (a)	\$ 4,698,424
New England	-	51,837,870	14,936,524
HPHC of CT	-	438,009	(59,768)
Holdings	-	-	535,759
HPI	-	4,494,485 (a)	168,356
The Foundation	6,382,837	887,382	224,146
The Institute	5,869,589	6,496,660	(678,585)
Total	\$ 12,252,426	\$ 153,433,156	\$ 19,824,856

(a) Amounts include administrative fees paid by the Insurance Company to HPI of \$212 thousand. Amounts also include \$2.1 million in HPI access fees, which were paid by HPI and earned by the Insurance Company.

M. All SCA Investments

(1) Balance Sheet Value (Admitted and Nonadmitted) All SCAs (Except 8bi Entities)

SCA Entity	Percentage of SCA Ownership	Gross Amount	Admitted Amount	Nonadmitted Amount
a. SSAP No. 97 8a Entities				
Total SSAP No. 97 8a Entities	XXX			
b. SSAP No. 97 8b(ii) Entities				
Total SSAP No. 97 8b(ii) Entities	XXX			
c. SSAP No. 97 8b (iii) Entities New HPHC Holding Corporation	100%	\$ 45,695,370	\$ 45,113,243	\$ 582,127
Total SSAP No. 97 8b (iii) Entities	XXX	45,695,370	45,113,243	582,127
d. SSAP No. 97 8b(iv) Entities				
Total SSAP No. 97 8b(iv) Entities	XXX			
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	45,695,370	45,113,243	582,127
f. Aggregate Total (a+e)	XXX	\$ 45,695,370	\$ 45,113,243	\$ 582,127

(2) NAIC Filing Response Information

SCA Entity	Type of NAIC Filing	Date of Filing to the NAIC	NAIC Valuation Amount	NAIC Response Received Y/N	NAIC Disallowed Entities Valuation Method Resubmission required Y/N	Code
a. SSAP No. 97 8a Entities						
Total SSAP No. 97 8a Entities	XXX	XXX		XXX	XXX	XXX
b. SSAP No. 97 8b(ii) Entities						
Total SSAP No. 97 8b(ii) Entities	XXX	XXX		XXX	XXX	XXX
c. SSAP No. 97 8b (iii) Entities New HPHC Holding Corporation	S2	2/28/2019	\$ 38,340,313	N	N	I
Total SSAP No. 97 8b (iii) Entities	XXX	XXX	38,340,313	XXX	XXX	XXX
d. SSAP No. 97 8b(iv) Entities						
Total SSAP No. 97 8b(iv) Entities	XXX	XXX		XXX	XXX	XXX
e. Total SSAP No. 97 8b Entities (except 8bi entities) (b+c+d)	XXX	XXX	38,340,313	XXX	XXX	XXX
f. Aggregate Total (a+e)	XXX	XXX	\$ 38,340,313	XXX	XXX	XXX

\* S1 - Sub1, S2 - Sub-2, or RDF - Resubmission of Disallowed Filing  
\*\* I - Immaterial or M - Material

N. Investment in Insurance SCAs

(1) The Company’s investments in insurance SCAs do not use accounting practices that differ from NAIC SAP.

O. SCA Loss Tracking

Harvard Pilgrim did not have any investments in SCAs in which the reporting entity’s share of losses exceeded the investment in the SCA at December 31, 2018 and 2017.

11. Debt

A. In March 2018, the Company received approval from the Massachusetts Commissioner of Insurance to pay off in full the Massachusetts Health and Education Facilities Revenue Bonds issue 1998 Series A (the “HEFA Bonds”) dated July 15, 1998, which was settled on July 1, 2018. The total amount paid was \$20,502,588, which consisted of \$20,015,000 principal and \$487,588 interest payments. Refer also to Note 13.11.

B. Federal Home Loan Bank (“FHLB”) Agreements

(1) In April 2015, Harvard Pilgrim became a member of the FHLB of Boston with an initial membership stock investment of \$0.7 million. Through its membership, Harvard Pilgrim has the ability to conduct business activity (borrowings) with the FHLB. The Company has determined the maximum borrowing capacity as \$60.0 million and has based this amount on anticipated borrowing and cash flow needs. As of December 31, 2018, Harvard Pilgrim had no outstanding loan.

(2) FHLB Capital Stock

a. Aggregate Totals

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		<div>Total</div>	
1. Current Year.....			
(a ) Membership Stock - Class A.....	\$.....	0	
(b ) Membership Stock - Class B.....		402,465	
(c ) Activity Stock.....		0	
(d ) Excess Stock.....		61,235	
(e ) Aggregate Total (a+b+c+d).....		463,700	
(f ) Actual or estimated Borrowing Capacity as			
Determined by the Insurer.....	\$.....	60,000,000	
		<div>Total</div>	
2. Prior Year - End.....			
(a ) Membership Stock - Class A.....	\$.....	0	
(b ) Membership Stock - Class B.....		421,404	
(c ) Activity Stock.....		1,200,000	
(d ) Excess Stock.....		96	
(e ) Aggregate Total (a+b+c+d).....		1,621,500	
(f ) Actual or estimated Borrowing Capacity as			
Determined by the Insurer.....	\$.....	30,000,000	

b. Membership Stock (Class A and B) Eligible and Not Eligible for Redemption

		Eligible for Redemption					
Membership Stock	Total	(2+3+4+5+6)	Not Eligible for Redemption	Less Than 6 Months	6 Months to Less Than 1 Year	1 to Less Than 3 Years	3 to 5 Years
1. Class A.....	\$.....	0	\$..... 0	\$..... 0	\$..... 0	\$..... 0	\$..... 0
2. Class B.....	\$.....	463,700	\$..... 402,465	\$..... 61,235	\$..... 0	\$..... 0	\$..... 0

(3) Collateral Pledged to FHLB

a. Amount Pledged as of Reporting Date

	Fair Value	Carrying Value	Aggregate Total Borrowing
1. Current Year Total Collateral Pledged.....	\$..... 0	\$..... 0	\$..... 0
2. Prior Year-End Total Collateral Pledged.....	\$..... 32,967,033	\$..... 33,531,355	\$..... 30,000,000

b. Maximum Amount Pledged During Reporting Period

	Fair Value	Carrying Value	Amount Borrowed at Time of Maximum Collateral
1. Current Year Total Maximum Collateral Pledged.....	\$..... 0	\$..... 0	\$..... 0
2. Prior Year-End Total Maximum Collateral Pledged.....	\$..... 32,967,033	\$..... 33,531,355	\$..... 30,000,000

(4) Borrowing from FHLB

a. Amount as of the Reporting Date

	Total	Funding Agreements Reserves Established
1. Current Year		
(a ) Debt.....	\$..... 0	.....XXX.
(b ) Funding Agreements.....	0	0
(c ) Other.....	0	.....XXX.
(d ) Aggregate Total (a+b+c).....	\$..... 0	\$..... 0
2. Prior Year-end		
(a ) Debt.....	\$.. 30,000,000	.....XXX.
(b ) Funding Agreements.....	0	0
(c ) Other.....	0	.....XXX.
(d ) Aggregate Total (a+b+c).....	\$.. 30,000,000	\$..... 0

b. Maximum Amount during Reporting Period - Current Year

	Total
1. Debt.....	\$..... 0
2. Funding Agreements.....	0
3. Other.....	0
4. Aggregate Total (1+2+3).....	\$..... 0

c. FHLB Prepayment Obligations

	Does the company have prepayment obligations under the following arrangements (YES/NO)?
1. Debt.....	YES
2. Funding Agreements.....	NO
3. Other.....	NO

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

A. Defined Benefit Plan

Harvard Pilgrim's postretirement medical plan allows employees who have attained age 60 and completed ten years of continuous service to remain in Harvard Pilgrim's group health care coverage upon retirement and until they qualify for Medicare coverage. In accordance with the provisions of the postretirement medical plan, retirees will pay 100% of the active monthly premium rate until they reach age 65. Once they reach age 65 and enroll in both Medicare A and B, Harvard Pilgrim will provide a maximum monthly contribution of \$150 to each retiree (and each spouse, if applicable), provided the employee is transitioning from an active Harvard Pilgrim employee medical plan. Additionally, Harvard Pilgrim covers up to 100% of the costs for select grandfathered retirees. The plan is not currently funded.

Effective December 31, 2016, the Company amended the postretirement medical plan to freeze participation and benefit accruals. Refer to (17) below for additional information.

A summary of assets, obligations and assumptions of the post-retirement medical plan are as follows at December 31, 2018 and 2017:

(1) Change in benefit obligation

a. Pension Benefits - None

b. Postretirement Benefits

		Overfunded		Underfunded	
		2018	2017	2018	2017
1.	Benefit obligations at beginning of year	-	-	6,466,147	8,123,562
2.	Service cost	-	-	-	22,524
3.	Interest cost	-	-	202,733	286,656
4.	Contribution by plan participants	-	-	864,216	625,279
5.	Actuarial gain (loss)	-	-	(728,800)	262,024
6.	Foreign currency exchange rate changes	-	-	-	-
7.	Benefits paid	-	-	(1,472,280)	(1,284,076)
8.	Plan amendments	-	-	-	-
9.	Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-	-	(1,569,822)
10.	Benefit obligation at end of year	-	-	5,332,016	6,466,147

c. Special or Contractual Benefits per SSAP No. 11 – None

(2) Change in plan assets

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Fair value of plan assets at beginning of year	-	-	-	-	-	-
b. Actual return on plan assets	-	-	-	-	-	-
c. Foreign currency exchange rate changes	-	-	-	-	-	-
d. Reporting entity contribution	-	-	608,064	658,797	-	-
e. Plan participants' contributions	-	-	864,216	625,279	-	-
f. Benefits paid	-	-	(1,472,280)	(1,284,076)	-	-

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g. Business combinations, divestitures and settlements	-	-	-	-	-	-
h. Fair value of plan assets at end of year	-	-	-	-	-	-

(3) Funded status

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Components:				
1. Prepaid benefit costs	-	-	-	-
2. Overfunded plan assets	-	-	-	-
3. Accrued benefit costs	-	-	5,390,936	5,794,194
4. Liability for pension benefits	-	-	(58,920)	671,953
b. Assets and liabilities recognized				
1. Assets (nonadmitted)	-	-	-	-
2. Liabilities recognized	-	-	5,332,016	6,466,147
c. Unrecognized liabilities	-	-	-	-

(4) Components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits		Special or Contractual Benefits per SSAP No. 11	
	2018	2017	2018	2017	2018	2017
a. Service cost	-	-	-	22,524	-	-
b. Interest cost	-	-	202,733	286,656	-	-
c. Expected return on plan assets	-	-	-	-	-	-
d. Transition asset or obligation	-	-	-	-	-	-
e. Gains and losses	-	-	2,073	-	-	-
f. Prior service cost or credit	-	-	-	-	-	-
g. Gain or loss recognized due to a settlement or curtailment	-	-	-	(1,569,822)	-	-
h. Total net periodic benefit cost	-	-	204,806	(1,260,642)	-	-

(5) Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Items not yet recognized as a component of net periodic cost – prior year	-	-	671,953	409,929
b. Net transition asset or obligation recognized	-	-	-	-
c. Net prior service cost or credit arising during the period	-	-	-	-
d. Net prior service cost or credit recognized	-	-	-	-
e. Net gain and loss arising during the period	-	-	(728,800)	262,024
f. Net gain and loss recognized	-	-	(2,073)	-
g. Items not yet recognized as a component of net periodic cost – current year	-	-	(58,920)	671,953

(6) Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost.

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Net transition asset or obligation	-	-	-	-
b. Net prior service cost or credit	-	-	-	-
c. Net recognized gains and losses	-	-	-	(2,073)

(7) Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost.

	Pension Benefits		Postretirement Benefits	
	2018	2017	2018	2017
a. Net transition asset or obligation	-	-	-	-
b. Net prior service cost or credit	-	-	-	-
c. Net recognized gains and losses	-	-	58,920	(671,953)

(8) Weighted-average assumptions used to determine net periodic benefit cost as of December 31:

	2018	2017
a. Weighted-average discount rate	3.30%	3.70%
b. Expected long-term rate of return on plan assets	not applicable	not applicable
c. Rate of compensation increase	not applicable	not applicable

Weighted-average assumptions used to determine projected benefit obligations as of December 31:

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	2018	2017
d. Weighted-average discount rate	4.00%	3.30%
e. Rate of compensation increase	not applicable	not applicable

For measurement purpose, the actual observed 2018 per capita cost of covered health care benefits were used. The rate of increase for these costs was assumed to be 6.03% for 2019, and decrease gradually to 4.50% for 2038, and remain at that level thereafter.

- (9) The amount of the accumulated benefit obligation for defined benefit pension plans – Not applicable.
- (10) Harvard Pilgrim has one Post-Retirement Medical Life Insurance Plan. The healthcare benefits are contributory with participants contributions adjusted annually and the life insurance benefits are non-contributory. The accounting for the health care plan is consistent with the Company's expressed intent to have Medicare eligible retirees pay any amount above the Company's contribution of \$150 per month. Additionally, there are certain grandfathered participants for whom the Company pays their entire benefit.
- (11) Assumed health care cost trend rates have an effect on the amounts reported for the health care plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects on the amounts reported for the health care plan:

	1 Percentage Point increase	1 Percentage Point decrease
a. Effect on total of service and interest cost components	3,069	(2,822)
b. Effect on postretirement benefit obligation	59,964	(55,445)

- (12) The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

<u>Year</u>	<u>Amount</u>
a. 2019	585,890
b. 2020	550,509
c. 2021	511,168
d. 2022	484,128
e. 2023	456,693
Next five years	1,891,408

- (13) The Company does not have any regulatory contribution requirements for 2018 however the Company's current projection for voluntary contributions to the defined benefit pension plan is \$586 thousand in 2019.
- (14) The amounts and types of securities – Not applicable.
- (15) Alternative method used to amortize prior service amounts or net gains and losses – Not applicable.
- (16) Substantive commitment used as the basis for accounting for the benefit obligation – Not applicable.
- (17) Special or contractual termination benefits recognized - Effective December 31, 2016, the Company amended the postretirement medical plan to freeze participation and benefit accruals. Retiree eligible participants had until December 31, 2017 to retire and elect coverage. The Company announced these changes in December 2016. In connection with the amendment, Harvard Pilgrim recorded curtailment gain of \$0 and \$1.6 million for the years ended December 31, 2018 and 2017, respectively.
- (18) Significant change in the benefit obligation or plan assets – Not applicable.
- (19) Plan assets returned to the Company – Not applicable.
- (20) Accumulated postretirement and pension benefit obligation and the fair value of plan assets for defined postretirement and pensions benefit plans – There was no transition surplus impact in 2018 due to the adoption of SSAP No. 102, *Accounting for Pensions, a replacement of SSAP No. 89* ("SSAP 102") and SSAP 92, *Postretirement Benefits Other Than Pensions* ("SSAP 92").
- (21) Transition impact of SSAP No. 102 – There was no transition surplus impact due to the adoption of SSAP 102 and SSAP 92. Harvard Pilgrim did not elect the transition option for surplus deferral at January 1, 2013.

**B. Investment policies and strategies of plan assets – Not applicable.**

**C. Fair value of each class of plan assets – Not applicable.**

**D. Basis used to determine the overall expected long-term rate-of-return-on-assets assumption – Not applicable.**

**E. Defined Contribution Plan**

Harvard Pilgrim employees participate in a defined contribution plan covering all employees. Participants can make salary deferral contributions up to 50% of their pay subject to the legally permitted maximum and, after one year of service, Harvard Pilgrim makes matching contributions equal to 100% of the first 4% of salary

deferrals, subject to the legally permitted maximum. Harvard Pilgrim also makes an annual contribution of 4% of pay to each participant's account regardless of whether the employee makes salary deferral contributions or not. Effective January 1, 2018, this annual contribution percentage was reduced to 2% of pay to each participant's account, regardless of whether the employee makes salary deferral contributions or not. In December 2018, it was announced that a one-time discretionary 2% employer contribution will be made to the defined contribution plan in 2018. Harvard Pilgrim's contributions amounted to \$8.0 million and \$7.5 million for the years ended December 31, 2018 and 2017, respectively.

**Deferred Compensation Plan**

Harvard Pilgrim established a non-qualified deferred compensation plan (the "Plan"), effective July 1, 2005, which allows certain highly compensated employees the option to defer specified amounts of their annual compensation on a pre-tax basis and also allows Harvard Pilgrim, at its discretion, the option to provide deferred compensation to key employees. A participant in the Plan is notified if a voluntary contribution is made by Harvard Pilgrim to that participant's account. In addition, the participant's account is credited to reflect investment returns based on measuring investments selected by either the participant or the Plan administrator in accordance with the Plan document. The participant will receive a benefit payment from their account upon severance from employment with Harvard Pilgrim. Harvard Pilgrim has recorded a liability of \$3.8 million and \$3.9 million for the years ended December 31, 2018 and 2017, respectively, which represents its obligation for benefits payable under the Plan. However, all amounts of compensation deferred under the Plan remain the assets of Harvard Pilgrim until paid out to a participant or his or her beneficiary. Harvard Pilgrim is not required to segregate or set aside any assets to meet its obligation under the Plan.

**F. Multiemployer Plans** – Not applicable.

**G. Consolidated/Holding Company Plans** – Not applicable.

**H. Postretirement Benefits and Compensated Absences** – Not applicable.

**I. Impact of Medicare Modernization Act on Postretirement Benefits (INT 04-17)** – Not applicable.

**13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

- (1) Harvard Pilgrim is a not-for-profit 501(c)(3) corporation with no stockholders or capital stock.
- (2) Harvard Pilgrim has no preferred stock.
- (3) Harvard Pilgrim has not declared dividends.
- (4) Harvard Pilgrim has not paid dividends.
- (5) Extraordinary dividends are limited by the General Laws of Massachusetts, Chapter 176G, Section 28(q) which prohibits extraordinary dividend distribution until the Massachusetts Commissioner of Insurance ("Commissioner") approves the payment or the Commissioner has not disapproved the payment within 30 days of receiving notice of the declaration.
- (6) There are no restrictions placed on unassigned funds.
- (7) Harvard Pilgrim does not have mutual reciprocals.
- (8) Harvard Pilgrim does not hold any stocks for special purpose such as conversion of preferred stock, employee stock options and stock purchase warrants.
- (9) Special surplus funds as of December 31, 2017 were recorded due to the estimated ACA Industry Fee paid during 2018. There were no amounts recorded as special surplus funds as of December 31, 2018 due to ACA Section 9010 Assessment Moratorium, which states that the monthly segregation of surplus is not required in 2018. Refer to Note 22.
- (10) The portion of unassigned funds (surplus) represented or reduced by cumulative unrealized gains and losses were as follows as of December 31, 2018:

Unrealized gains                      \$37,499,583

- (11) Harvard Pilgrim previously issued the following surplus notes:

Date Issued	Interest Rate	Par Value	Carrying Value of Note	Interest And/Or Principal Paid Current Year	Total Interest And/Or Principal Paid	Un-approved Interest And/Or Principal	Date of Maturity
07/15/1998	variable 4.75% - 5.25%	\$195,795,000	\$ -	\$ 20,502,588	\$330,679,588	-	07/01/2028

The surplus note listed above is in connection with the Plan of Rehabilitation issued in fiscal year 2000, when Harvard Pilgrim was released from temporary receivership and placed under administrative supervision. Payments of principal and interest on the HEFA Bonds were made subject to the approval of the Commissioner of Insurance of the Commonwealth of Massachusetts (the "Commissioner"). As such, the outstanding amount of the HEFA Bonds, reduced by the \$29 million mortgage, qualifies to be treated as



surplus notes under NAIC SAP and is included as a component of statutory capital and surplus. In March 2018, the Company received approval from the Massachusetts Commissioner of Insurance to pay off in full the HEFA Bonds, which were settled on July 1, 2018. The total amount paid was \$20,502,588, which consisted of \$20,015,000 in principal and \$487,588 in interest payments. Therefore, the liability for the mortgage has been reduced to zero as of December 31, 2018.

Principal payments on the Series 1998 Bonds were \$20.0 million and \$9.8 million in 2018 and 2017, respectively. In connection with the sale of certain real estate assets in 2016, Harvard Pilgrim was required to make an additional payment on its surplus notes for \$9.8 million in 2017.

Interest expense, recorded as a reduction to net investment income earned, amounted to \$0.9 million and \$1.4 million in 2018 and 2017, respectively. Related interest paid amounted to \$0.5 million and \$1.8 million for 2018 and 2017, respectively.

At December 31, 2018 and 2017, the estimated fair value of the HEFA Bonds was approximately \$0 and \$20.1 million, respectively. The fair value is estimated based on the quoted market prices for the same or similar issues.

Special deposits include a debt service fund, which was established with the bond trustee for the payment of principal and interest. The debt service fund amounted to \$0 and \$0.5 million at December 31, 2018 and 2017, respectively. These funds are invested in U.S. government securities and are carried at amortized cost, which approximates estimated fair value.

(12) There were no quasi-reorganizations during 2018 and 2017.

(13) Effective date of quasi-reorganization for a period of ten years following the reorganization – Not applicable.

#### **14. Liabilities, Contingencies and Assessments**

##### **A. Contingent Commitments**

Harvard Pilgrim and its insurance affiliates, New England, HPHC CT and the Insurance Company (each a "Corporation" and collectively the "Corporations"), participate in a Guaranty and Indemnity Agreement ("G&I Agreement"). Under the terms of the G&I Agreement, each Corporation guarantees the payment and performance of the others. In addition, each Corporation is jointly and severally liable for all obligations that may arise out of this G&I Agreement. Harvard Pilgrim had no contingent liabilities related to the G&I Agreement as of December 31, 2017.

During 2016, Harvard Pilgrim amended its Management and Administrative Service Agreement with the Institute (the "Institute Agreement"). In accordance with the requirements of the Institute Agreement, Harvard Pilgrim will provide the Institute with financial support in an amount up to, but not to exceed, \$20 million in the event of an unforeseen and material loss of revenue by the Institute. The Institute must maintain at least \$1 million of net assets to be used in such an event before drawing down on this contingent support. Harvard Pilgrim had no contingent liabilities related to the Institute Agreement as of December 31, 2018.

##### **B. Assessments**

The Company has not received any notification of insolvency that could have a material financial effect on the estimate of liability.

##### **C. Gain Contingencies – None**

##### **D. Claims Related Extra Contractual Obligations and Bad Faith Losses Stemming from Lawsuits – None**

##### **E. Joint and Several Liabilities – None**

##### **F. All Other Contingencies**

Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company. The Company has no assets that it considers to be impaired.

#### **15. Leases**

##### **A. Lessee Operating Leases**

(1) Harvard Pilgrim has entered into several long-term noncancelable operating leases for buildings and equipment. The terms of the leases vary through the year 2023 with various renewal options. Total rent expense on all leases was \$6.7 million and \$7.0 million in 2018 and 2017, respectively.

(2) The following is a schedule, by year, of future minimum rental payments required under all operating leases for buildings and equipment that have initial or remaining non-cancellable lease terms of one year or more as of December 31, 2018:

<u>Year Ending December 31</u>	<u>Operating Leases</u>
2019	\$ 6,623,175
2020	6,725,636
2021	6,758,288
2022	3,588,017
2023	689,618
Thereafter	-
Total	\$ 24,384,734

(3) The Company is not involved in any material sale-leaseback transactions.

**B. Lessor Leases**

(1) Operating leases – None

(2) Leveraged leases – None

**16. Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk**

Harvard Pilgrim did not have any investments in financial instruments with off balance sheet risk or with significant concentrations of credit risk as of December 31, 2018 and 2017.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities**

**A. Transfers of Receivables Reported as Sales – None**

**B. Transfers and Servicing of Financial Assets – None**

**C. Wash Sales – None**

**18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans**

**A. ASO Plans**

Harvard Pilgrim administers employee health benefits for certain employer groups as an Administrative Services Only (“ASO”) wherein it performs eligibility management, medical management, claims processing, and disbursement activities in return for administrative fees. The employer assumes utilization risk for these arrangements.

The loss from operations for ASO uninsured plans and the uninsured portion of partially insured plans during 2018 were as follows:

		1	2	3
		ASO Uninsured Plans	Uninsured Portion of Partially Insured Plans	Total ASO
a.	Net reimbursement for administrative expenses (including administrative fees) in excess of actual expenses	\$ (33,957,790)	\$ -	\$ (33,957,790)
b.	Total net other income or expenses (including interest paid to or received from plans)	-	-	-
c.	Net gain or loss from operations	(33,957,790)	-	(33,957,790)
d.	Total claim payment volume	\$ 1,604,839,418	\$ -	\$1,604,839,418

**B. ASC Plans – None**

**C. Medicare or Other Similarly Structured Cost Based Reimbursement Contracts – None**

**19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators**

Harvard Pilgrim did not receive any premium from individual managing general agents or third party administrators for the years ended December 31, 2018 and 2017.

**20. Fair Value Measurement**

**A.** Harvard Pilgrim’s financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by SSAP No. 100R, *Fair Value*.

## (1) Fair Value Measurements at the reporting date:

Description	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Total
<b>a. Assets at fair value</b>					
Bonds					
Indust. & misc.	\$ -	\$ 723,350	\$ -	\$ -	\$ 723,350
Special rev./assess. oblig.	-	-	-	-	-
US Government	-	-	-	-	-
Total bonds	-	723,350	-	-	723,350
Common stock					
Industrial & misc.	463,700	-	-	-	463,700
Parent, subs & affiliates	-	-	-	-	-
Mutual funds	125,052,858	-	-	-	125,052,858
Total common stocks	125,516,558	-	-	-	125,516,558
Total assets at fair value	<u>\$125,516,558</u>	<u>\$ 723,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$126,239,908</u>

(a) There were no significant transfers between level 1 and level 2 during 2018.

## (2) Fair value measurements in Level 3 of the fair value hierarchy: None

(3) The policy on the timing of recognizing transfers in and out of Level 3: Transfers in and out of Level 3 securities are recognized at the end of the reporting period.

(4) For fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy, the valuation technique(s) and the inputs used in the fair value measurement: fair value measurements of securities within the Level 2 and Level 3 hierarchy are determined using the NAIC approved independent third party pricing vendor at December 31, 2018. FHLB Class B stock is valued based on the par value of the stock.

(5) The Company did not have any derivative assets or liabilities.

**B. Other fair value measurements – Not applicable.**

**C. The aggregate fair value by hierarchical level as of December 31, 2018:**

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	(Level 1)	(Level 2)	(Level 3)	Net Asset Value (NAV)	Not Practicable (Carrying Value)
Bonds	\$ 304,694,343	\$ 307,227,731	\$ -	\$ 304,694,343	\$ -	\$ -	\$ -
Common Stock	125,516,558	125,516,558	125,516,558	-	-	-	-
Cash Equivalents	54,166,472	54,166,472	54,166,472	-	-	-	-
Total	<u>\$ 484,377,373</u>	<u>\$ 486,910,761</u>	<u>\$ 179,683,030</u>	<u>\$ 304,694,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**D. Not practicable to estimate fair value – Not applicable**

**E. Investments measured using the NAV practical expedient – None**

**21. Other Items**

**A. Unusual or Infrequent Items – None**

**B. Troubled Debt Restructuring – None**

**C. Other Disclosures**

**Long-Term Service Contract with NTT DATA**

Harvard Pilgrim has a long-term services agreement (the "Agreement") with NTT DATA International, L.L.C. ("NTT DATA") following the assignment of the services agreement from Dell Inc. to NTT Data effective November 2, 2016. Under the Agreement, NTT DATA provides information technology operations, development and claims related processing services under the direction of Harvard Pilgrim staff. Services include operational services for technology and claims operations and business project services. The Agreement calls for an annual minimum commitment of \$60 million, and is subject to adjustment for changes in service levels, cost management by Harvard Pilgrim and performance incentives for NTT. The Agreement runs through 2021.

**D. Business Interruption Insurance Recoveries – None**

**E. State Transferable and Non-transferable Tax Credits – None**

**F. Subprime Mortgage Related Risk Exposure**

(1) The Company's subprime exposure comes from its holdings in asset backed securities. On a quarterly basis, these holdings are reviewed with the Company's investment manager to determine the rationale for continuing to hold these securities and to determine if impairment has occurred. Some of the factors

considered include asset quality, credit related issues, consistency of cash flow and expected recovery of principal.

(2) Direct exposure through investments in subprime mortgages – None

(3) Direct exposure through other investments as of December 31, 2018:

	Actual Cost	Book/Adjusted Carrying Value (excluding interest)	Fair Value (D's FV)	Other Than Temporary Impairment Losses Recognized
a. Residential mortgage-backed securities	\$ 128,026,078	\$ 126,450,294	\$ 124,949,903	\$ -
b. Commercial mortgage-backed securities	21,995,247	21,913,387	21,888,921	-
c. Collateralized debt obligations	-	-	-	-
d. Structured securities	17,547,632	17,549,956	17,399,061	-
e. Equity investment in SCAs*	-	-	-	-
f. Other assets	-	-	-	-
g. Total	\$ 167,568,956	\$ 165,913,636	\$ 164,237,884	\$ -

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage - None

#### **G. Retained Assets – None**

#### **H. Insurance-Linked Securities (ILS) Contracts – None**

## **22. Events Subsequent**

### *Type I – Recognized Subsequent Events-*

Harvard Pilgrim has evaluated events and transactions subsequent to December 31, 2018 through February 28, 2019, the date the financial statements are available for issuance and has determined there were no material events or transactions which require adjustment to, or disclosure in, the financial statements.

### *Type II – Non-recognized Subsequent Events-*

Subsequent events have been considered subsequent to December 31, 2017, through February 28, 2019, for the statutory statement issued on February 28, 2019.

In August 2018, the Harvard Pilgrim board of directors approved certain changes to the Company's governance structure to dissolve Holdings and transfer its subsidiary, MedWatch LLC, to HPI effective January 1, 2019. Subsequent to these changes, MedWatch LLC will be a wholly owned subsidiary of HPI.

Harvard Pilgrim is subject to an annual fee under Section 9010 of the ACA. This annual fee is allocated to individual health insurers based on the ratio of the amount of the Company's net premiums written during the preceding calendar year to the amount of health insurance for any U.S. health risk that was written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1st of the year the fee is due. There were no amounts recorded as special surplus funds as of December 31, 2018 due to ACA Section 9010 Assessment Moratorium, which states that the monthly segregation of surplus and the liability recognition on January 1, 2019 will not be required. Accordingly, there is no estimated health insurance fee payable reflected in special surplus.

As of December 31, 2018, the Company has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2019. The assessment is expected to have no impact on the Company's risk-based capital due to the one-year moratorium on the collection of the annual fee for 2019 noted above.

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Harvard Pilgrim Health Care, Inc.

A. Did the reporting entity write accident and health insurance premium that is subject to Section 9010 of the Federal Affordable Care Act (YES/NO)?	YES	
	<u>Current Year</u>	<u>Prior Year</u>
B. ACA fee assessment payable for the upcoming year	\$ -	\$ 17,467,664
C. ACA fee assessment paid	16,303,192	-
D. Premium written subject to ACA 9010 assessment	1,825,510,856	1,647,892,821
E. Total Adjusted Capital before surplus adjustment (Five-Year Historical Line 14)	552,747,959	
F. Total Adjusted Capital after surplus adjustment (Five-Year Historical Line 14 minus Line 22B above)	552,747,959	
G. Authorized Control Level (Five-Year Historical Line 15)	105,545,500	
H. Would reporting the ACA assessment as of Dec. 31, 2018 have triggered an RBC action level (Yes/No)?	NO	

23. Reinsurance

Harvard Pilgrim carries reinsurance against excessive utilization on a per-member basis. Under the policy, Harvard Pilgrim is reimbursed 90% of certain hospital inpatient, outpatient and pharmacy claims in excess of the policy deductible, which is \$1,000,000 for Maine fully-insured commercial members and \$1,500,000 for Massachusetts fully-insured commercial members. The policy deductible is \$1,000,000 for Medicare members. The maximum recoverable under the reinsurance agreement is \$5,000,000 per member per policy period. The impact of reinsurance recoveries on the financial statements is immaterial for 2018 and 2017.

A. Ceded Reinsurance Report

Section 1: General Interrogatories

- (1) Harvard Pilgrim does not own in excess of 10%, nor control directly or indirectly any of the reinsurers listed as non-affiliated on Schedule S.
- (2) None of Harvard Pilgrim's policies have been reinsured outside of the United States.

Section 2: Ceded Reinsurance Report – Part A

- (1) None of the reinsurance agreements can be unilaterally cancelled except for nonpayment of premiums.
- (2) Harvard Pilgrim does not have any reinsurance agreements in effect such that the amount of losses exceeds the total direct premiums collected as of December 31, 2018.

Section 3: Ceded Reinsurance Report – Part B

- (1) There have been no terminated reinsurance policies as of December 31, 2018.
- (2) There have been no new agreements that have been executed or existing agreements amended, that include policies or contracts that were in force or which had existing reserves established by Harvard Pilgrim as of the effective date of the agreement.

B. Uncollectible Reinsurance – Harvard Pilgrim has not written off any reinsurance balances in 2018.

C. Commutation of Ceded Reinsurance – None

D. Certified Reinsurer rating downgraded or status subject to revocation – None

24. Retrospectively Rated Contracts & Contracts Subject to Redetermination

- A. The Company estimates accrued retrospective premium adjustments in accordance with SSAP No. 66. See Note 1.
- B. The Company records accrued retrospective premium as an adjustment to earned premium.
- C. The amount of net premiums written by the Company at December 31, 2018 that are subject to retrospective rating features was \$1,822.8 million, which represented 99.9% of the total net premiums written.
- D. The Company did not record any medical loss ratio rebate liabilities pursuant to the ACA or under Massachusetts General Laws Chapter 176J Section 6(d) for the merged market segment for the years ended December 31, 2018 and 2017.

**E. Risk Sharing Provisions of the Affordable Care Act**

- (1) Did the reporting entity write accident and health insurance premium which is subject to the ACA risk-sharing provisions (YES/NO)? YES

- (2) Impact of Risk-Sharing Provisions of the ACA on Admitted Assets, Liabilities and Revenue for the Current Year:

<b>a. Permanent ACA Risk Adjustment Program:</b>	AMOUNT
<b>Assets:</b>	
1. Premium adjustments receivable due to ACA Risk Adjustment (including high risk pool payments)..<	\$ 10,286,251
<b>Liabilities:</b>	
2. Risk adjustment user fees payable for ACA Risk Adjustment.....	80,761
3. Premium adjustments payable due to ACA Risk Adjustment (including high risk pool payments).....	3,458,869
<b>Operations (Revenue &amp; Expense):</b>	
4. Reported as revenue in premium for accident and health contracts (written/collected) due to ACA Risk Adjustment (increase) decrease to revenue.....	(32,678,376)
5. Reported in expenses as ACA risk adjustment user fees (incurred/paid).....	171,637
<b>b. Transitional ACA Reinsurance Program:</b>	
<b>Assets:</b>	
1. Amounts recoverable for claims paid due to ACA Reinsurance.....	-
2. Amounts recoverable for claims unpaid due to ACA Reinsurance (Contra Liability).....	-
3. Amounts receivable relating to uninsured plans for contributions for ACA Reinsurance.....	-
<b>Liabilities:</b>	
4. Liabilities for contributions payable due to ACA Reinsurance - not reported as ceded premium.....	-
5. Ceded reinsurance premiums payable due to ACA Reinsurance.....	-
6. Liabilities for amounts held under uninsured plans contributions for ACA Reinsurance.....	-
<b>Operations (Revenue &amp; Expense):</b>	
7. Ceded reinsurance premiums due to ACA Reinsurance.....	-
8. Reinsurance recoveries (income statement) due to ACA Reinsurance payments or expected payments.....	(44,739)
9. ACA Reinsurance contributions - not reported as ceded premium.....	-
<b>c. Temporary ACA Risk Corridors Program:</b>	
<b>Assets:</b>	
1. Accrued retrospective premium due to ACA Risk Corridors.....	-
<b>Liabilities:</b>	
2. Reserve for rate credits or policy experience rating refunds due to ACA Risk Corridors.....	-
<b>Operations (Revenue &amp; Expense):</b>	
3. Effect of ACA Risk Corridors on net premium income (paid/received).....	-
4. Effect of ACA Risk Corridors on change in reserves for rate credits.....	-

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Harvard Pilgrim Health Care, Inc.

(3) Roll forward of prior year ACA risk-sharing provisions for the following asset (gross of any non-admission) and liability balances, along with the reasons for adjustments to prior year balance.

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date		
						Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances	Cumulative Balance from Prior Years (Col 1 – 3 + 7)	Cumulative Balance from Prior Years (Col 2 – 4 + 8)		
						1	2	3	4			5	6
		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)	
a.	Permanent ACA Risk Adjustment Program:												
	1. Premium adjustments receivable (including high risk pool payments)	-	-	24,400,555	-	(24,400,555)	-	24,400,555	-	A	-	-	
	2. Premium adjustments (payable) (including high risk pool payments)	-	(9,007,180)	-	(7,556,034)	-	(1,451,146)	-	1,451,146	B	-	-	
	3. Subtotal ACA Permanent Risk Adjustment Program	-	(9,007,180)	24,400,555	(7,556,034)	(24,400,555)	(1,451,146)	24,400,555	1,451,146		-	-	
b.	Transitional ACA Reinsurance Program:												
	1. Amounts recoverable for claims paid	1,312,458	-	1,267,719	-	44,739	-	(44,739)	-	C	-	-	
	2. Amounts recoverable for claims unpaid (contra liability)	-	-	-	-	-	-	-	-	D	-	-	
	3. Amounts receivable relating to uninsured plans	-	-	-	-	-	-	-	-	E	-	-	
	4. Liabilities for contributions payable due to ACA Reinsurance not reported as ceded premiums	-	-	-	-	-	-	-	-	F	-	-	
	5. Ceded reinsurance premiums payable	-	-	-	-	-	-	-	-	G	-	-	
	6. Liabilities for amounts held under uninsured plans	-	-	-	-	-	-	-	-	H	-	-	
	7. Subtotal ACA Transitional Reinsurance Program	1,312,458	-	1,267,719	-	44,739	-	(44,739)	-		-	-	
c.	Temporary ACA Risk Corridors Program:												
	1. Accrued retrospective premium	-	-	-	-	-	-	-	-	I	-	-	
	2. Reserve for rate credits or policy experience rating refunds	-	-	-	-	-	-	-	-	J	-	-	
	3. Subtotal ACA Risk Corridors Program	-	-	-	-	-	-	-	-		-	-	
d.	Total for ACA risk Sharing Provisions		1,312,458	(9,007,180)	25,668,273	(7,556,034)	(24,355,816)	(1,451,146)	24,355,816	1,451,146		-	-

Explanations of Adjustments:

- The premium adjustments receivable under the permanent ACA Risk Adjustment program represents a change in previously estimated amounts to reflect the final settlement notification for the year ended December 31, 2017. An additional adjustment to the prior year receivable of \$4,487,760 was not recorded due to the uncertainty of the available transfer payment funds resulting from the insolvency and ongoing liquidation of Minuteman Health, Inc., a significant payer of transfer funds in Massachusetts for the 2017 Risk Adjustment program.
- The premium adjustments payable under the permanent ACA Risk Adjustment program represents a change in previously estimated amounts to reflect the final settlement notification for the year ended December 31, 2017.
- The adjustment for amounts recoverable for claims paid reflects a revised amount based on actual loss experience.

(4) Roll-Forward of Risk Corridors Asset and Liability Balances by Program Benefit Year:

		Accrued During the Prior Year on Business Written Before December 31 of the Prior Year		Received or Paid as of the Current Year on Business Written Before December 31 of the Prior Year		Differences		Adjustments			Unsettled Balances as of the Reporting Date	
						Prior Year Accrued Less Payments (Col 1 - 3)	Prior Year Accrued Less Payments (Col 2 - 4)	To Prior Year Balances	To Prior Year Balances		Cumulative Balance from Prior Years (Col 1–3+7)	Cumulative Balance from Prior Years (Col 2–4+8)
		1	2	3	4	5	6	7	8		9	10
Risk Corridors Program Year:		Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Receivable	(Payable)	Ref	Receivable	(Payable)
2014	1. Accrued Retrospective premium	0	0	0	0	0	0	0	0	A	0	0
	2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	B	0	0
2015	1. Accrued Retrospective premium	0	0	0	0	0	0	0	0	C	0	0
	2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	D	0	0
2016	1. Accrued Retrospective premium	0	0	0	0	0	0	0	0	E	0	0
	2. Reserve for rate credits or policy experience rating refunds	0	0	0	0	0	0	0	0	F	0	0
Total for Risk Corridor		0	0	0	0	0	0	0	0		0	0

(5) ACA Risk Corridors Receivable as of Reporting Date:

	(A) Estimated Amount to be Filed or Final Amount Filed with CMS	(B) Non-Accrued Amounts for Impairment or Other reasons	(C) Amounts received from CMS	(D)=(A)-(B)-(C)  Asset Balance (Gross of Non- admission)	(E)  Non- admitted Amount	(F)=(D)-(E)  Net Admitted Asset
2014	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2015	0	0	0	0	0	0
2016	9,883,052	9,883,052	0	0	0	0
Total	\$ 9,883,052	\$ 9,883,052	\$ 0	\$ 0	\$ 0	\$ 0

Harvard Pilgrim considered the most recent and reliable information in its estimate of the collectibility of the ACA Risk Corridors Program. Due to the lack of appropriation for this program by the Federal Government, Harvard Pilgrim has not recognized this receivable as the timing of the payment is uncertain.

25. Change in Incurred Claims and Claim Adjustment Expenses

Reserves, net of healthcare receivables, as of December 31, 2017 were \$137.7 million. As of December 31, 2018, \$104.0 million has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior year's net of health care receivables are \$11.5 million. Therefore, there has been a \$22.2 million favorable prior-year development since December 31, 2017. The favorable development is generally a result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims. Harvard Pilgrim does not have any retrospectively rated policies. There have been no changes in the methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses.

26. Intercompany Pooling Arrangements

Harvard Pilgrim does not have intercompany pooling arrangements.

27. Structured Settlements

Not applicable.

28. Health Care Receivables

A. Pharmaceutical rebate receivables:

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise	Confirmed Actual Rebates Received within 90 days of Billing	Actual Rebates Received within 91 to 180 days of Billing	Actual Rebates Received More Than 180 days After Billing
12/31/2018	\$ 13,948,261	\$ -	\$ -	\$ -	\$ -
09/30/2018	14,148,813	14,576,606	933,011	-	-
06/30/2018	14,744,782	14,849,760	13,518,851	17,115	-
03/31/2018	13,702,037	13,876,707	11,185,606	2,189,024	-
12/31/2017	12,048,231	12,867,340	11,375,580	1,897,348	395,355
09/30/2017	12,478,946	12,543,975	10,953,282	1,398,537	830,840
06/30/2017	13,514,661	13,613,985	12,077,902	1,519,226	92,538
03/31/2017	12,990,589	13,045,140	12,250,763	576,515	338,973
12/31/2016	13,119,396	13,241,856	11,674,506	1,378,207	317,684
09/30/2016	11,956,967	12,304,991	9,840,058	1,694,279	188,570
06/30/2016	11,285,062	11,480,379	10,877,608	511,224	109,429
03/31/2016	11,765,692	11,998,253	11,501,791	495,579	17,269

B. Risk sharing receivables:

Calendar Year	Evaluation Period Year Ending	Risk Sharing Receivable as Estimated in the Prior Year	Risk Sharing Receivable as Estimated in the Current Year	Risk Sharing Receivable Billed	Risk Sharing Receivable Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subsequent	Actual Risk Sharing Amounts Received Second Year Subsequent	Actual Risk Sharing Amounts Received - All Other
2018	2018	548,539	-	-	-	-	-	-	-
	2019	XXX	1,554,400	XXX	XXX	XXX	XXX		
2017	2017	4,800,176	2,509,832	5,494,027	-	1,450,842	4,043,225	-	-
	2018	XXX	548,539	XXX	XXX	XXX	XXX	XXX	XXX
2016	2016	-	-	-	-	-	-	-	-
	2017	XXX	4,800,176	XXX	XXX	XXX	XXX	XXX	XXX

29. Participating Policies

Harvard Pilgrim does not have any participating policies.

30. Premium Deficiency Reserves

- 1) Liability carried for premium deficiency reserves
- \$4,462,980
- 2) Date of the most recent evaluation of this liability
- December 31, 2018
- 3) Was anticipated investment income utilized in the calculation?
- Yes [X] No [ ]

31. Anticipated Salvage and Subrogation

For the years ended December 31, 2018 and 2017 there was no anticipated salvage or subrogation in the determination of the liability for unpaid claims.



GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES  
GENERAL

1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2

Yes ☒ No ☐

1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes ☒ No ☐ N/A ☐

1.3

State Regulating?

Massachusetts

1.4

Is the reporting entity publicly traded or a member of a publicly traded group?

Yes ☐ No ☒

1.5

If the response to 1.4 is yes, provide the CIK (Central Index Key) code issued by the SEC for the entity/group.

2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒

2.2

If yes, date of change:

3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2016

3.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2016

3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/14/2018

3.4

By what department or departments?  
Massachusetts Division of Insurance

3.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ N/A ☒

3.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☐ No ☐ N/A ☒

4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.11 sales of new business?  
4.12 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:  
4.21 sales of new business?  
4.22 renewals?

Yes ☐ No ☒  
Yes ☐ No ☒

5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?  
If yes, complete and file the merger history data file with the NAIC.

Yes ☐ No ☒

5.2

If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒

6.2

If yes, give full information:

7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes ☐ No ☒

7.2

If yes,  
7.21 State the percentage of foreign control;  
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

%

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes [ ] No [ X ]
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes [ ] No [ X ]
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6
Affiliate Name	Location (City, State)	FRB	OCC	FDIC	SEC

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Deloitte & Touche LLP  
200 Berkeley Street  
Boston, MA 02116
- 10.1

Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes [ ] No [ X ]
- 10.2

If the response to 10.1 is yes, provide information related to this exemption:
- 10.3

Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes [ ] No [ X ]
- 10.4

If the response to 10.3 is yes, provide information related to this exemption:
- 10.5

Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes [ X ] No [ ] N/A [ ]
- 10.6

If the response to 10.5 is no or n/a, please explain
11.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Scott Allen  
Appointed Actuary  
Actuarial Consultant  
145 Buttermere Court  
Johns Creek, GA 30022
- 12.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes [ X ] No [ ]
- 12.11

Name of real estate holding company

Prime Property Fund, LLC
- 12.12

Number of parcels involved

431
- 12.13

Total book/adjusted carrying value

\$ 35,603,228
- 12.2

If, yes provide explanation:
13.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
- 13.2

Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes [ ] No [ ]
- 13.3

Have there been any changes made to any of the trust indentures during the year?

Yes [ ] No [ ]
- 13.4

If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?

Yes [ ] No [ ] N/A [ ]
- 14.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes [ X ] No [ ]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 14.11

If the response to 14.1 is No, please explain:
- 14.2

Has the code of ethics for senior managers been amended?

Yes [ ] No [ X ]
- 14.21

If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes [ ] No [ X ]
- 14.31

If the response to 14.3 is yes, provide the nature of any waiver(s).

## GENERAL INTERROGATORIES

- |  |                                      |  |             |
|--|--------------------------------------|--|-------------|
| 1<br>American Bankers Association (ABA) Routing Number | 2<br>Issuing or Confirming Bank Name | 3<br>Circumstances That Can Trigger the Letter of Credit | 4<br>Amount |
|  |                                      |  |             |

16.	Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? .....	Yes [ X ]	No [   ]
17.	Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? .....	Yes [ X ]	No [   ]
18.	Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? .....	Yes [ X ]	No [   ]

19.	Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? .....		Yes [    ]	No [ X ]
20.1	Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):	20.11 To directors or other officers.....	\$ .....	
		20.12 To stockholders not officers.....	\$ .....	
		20.13 Trustees, supreme or grand (Fraternal Only) .....	\$ .....	
20.2	Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):	20.21 To directors or other officers.....	\$ .....	
		20.22 To stockholders not officers.....	\$ .....	
		20.23 Trustees, supreme or grand (Fraternal Only) .....	\$ .....	
21.1	Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? .....		Yes [    ]	No [ X ]
21.2	If yes, state the amount thereof at December 31 of the current year:	21.21 Rented from others.....	\$ .....	
		21.22 Borrowed from others.....	\$ .....	
		21.23 Leased from others .....	\$ .....	
		21.24 Other .....	\$ .....	
22.1	Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? .....		Yes [ X ]	No [    ]
22.2	If answer is yes:	22.21 Amount paid as losses or risk adjustment \$ .....	10,832,700	
		22.22 Amount paid as expenses .....	\$ .....	
		22.23 Other amounts paid .....	\$ .....	
23.1	Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? .....		Yes [ X ]	No [    ]
23.2	If yes, indicate any amounts receivable from parent included in the Page 2 amount: .....		\$ .....	

24.01	Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)	Yes	<input checked="" type="checkbox"/>	X	No	<input type="checkbox"/>	
24.02	If no, give full and complete information relating thereto						
24.03	For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)						
24.04	Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?	Yes	<input type="checkbox"/>		No	<input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
24.05	If answer to 24.04 is yes, report amount of collateral for conforming programs.	\$					
24.06	If answer to 24.04 is no, report amount of collateral for other programs.	\$					
24.07	Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?	Yes	<input type="checkbox"/>		No	<input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
24.08	Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?	Yes	<input type="checkbox"/>		No	<input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
24.09	Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending?	Yes	<input type="checkbox"/>		No	<input type="checkbox"/>	N/A <input checked="" type="checkbox"/>

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Harvard Pilgrim Health Care, Inc.

GENERAL INTERROGATORIES

24.10 For the reporting entity’s security lending program state the amount of the following as December 31 of the current year:

24.101	Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.102	Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.	\$	0
24.103	Total payable for securities lending reported on the liability page.	\$	0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes ☒ No ☐

25.2	If yes, state the amount thereof at December 31 of the current year:	25.21 Subject to repurchase agreements	\$	
		25.22 Subject to reverse repurchase agreements	\$	
		25.23 Subject to dollar repurchase agreements	\$	
		25.24 Subject to reverse dollar repurchase agreements	\$	
		25.25 Placed under option agreements	\$	
		25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	\$	
		25.27 FHLB Capital Stock	\$	463,700
		25.28 On deposit with states	\$	3,330,679
		25.29 On deposit with other regulatory bodies	\$	
		25.30 Pledged as collateral - excluding collateral pledged to an FHLB	\$	
		25.31 Pledged as collateral to FHLB - including assets backing funding agreements	\$	
		25.32 Other	\$	

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes ☐ No ☒

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes ☐ No ☐ N/A ☒  
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes ☐ No ☒

27.2 If yes, state the amount thereof at December 31 of the current year. \$

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes ☒ No ☐

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
BANK OF AMERICA, N.A., GLOBAL CUSTODY & AGENCY SOLUTIONS	150 N. COLLEGE ST. CHARLOTTE NC 28255

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes ☐ No ☒

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

GENERAL INTERROGATORIES

28.05 Investment management – Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["...that have access to the investment accounts"; "...handle securities"]

1 Name of Firm or Individual	2 Affiliation
DEUTSCHE INVESTMENT MANAGEMENT AMERICAS INC. ....	U.....
FIDELITY MANAGEMENT & RESEARCH COMPANY .....	U.....
THE VANGUARD GROUP, INC. ....	U.....
PRINCIPAL REAL ESTATE INVESTORS LLC .....	U.....
MORGAN STANLEY REAL ESTATE ADVISOR, INC. ....	U.....
AUDAX GROUP .....	U.....
HLM MANAGEMENT CO., LLC .....	U.....
BARINGS LLC .....	U.....
LEERINK PARTNERS LLC .....	U.....
PINEBRIDGE GLOBAL CREDIT FUND .....	U.....
.....	.....

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets?..... Yes [ X ] No [   ]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets?..... Yes [   ] No [ X ]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
.....	DEUTSCHE INVESTMENT MANAGEMENT AMERICAS, INC. ....	CZ83K4EEEX8QVCT3B128 .....	Securities and Exchange Commission ...	DS.....
104518 .....	FIDELITY MANAGEMENT & RESEARCH COMPANY .....	Z26LT2N3N013KK7Y9Z32 .....	Securities and Exchange Commission ...	DS.....
108281 .....	THE VANGUARD GROUP, INC. ....	22FEKWGAFY38KJJVTQ65 .....	Securities and Exchange Commission ...	DS.....
105958 .....	PRINCIPAL REAL ESTATE INVESTORS LLC .....	549300BABIOZPCNHMB89 .....	Securities and Exchange Commission ...	DS.....
109008 .....	BARINGS LLC .....	ANDKRHQKPRRG4Q2KLR05 .....	Securities and Exchange Commission ...	DS.....
106006 .....	AUDAX GROUP .....	none .....	Securities and Exchange Commission ...	DS.....
159458 .....	HLM MANAGEMENT CO., LLC .....	none .....	Securities and Exchange Commission ...	DS.....
162337 .....	MORGAN STANLEY REAL ESTATE ADVISOR, INC. ....	549300N35MH5UNDKUZ51 .....	Securities and Exchange Commission ...	DS.....
127488 .....	LEERINK PARTNERS LLC .....	549300AAH7U76CEUB194 .....	Securities and Exchange Commission ...	DS.....
39011 .....	PINEBRIDGE GLOBAL CREDIT FUND .....	5493007FM4Z08UJHBK70 .....	Securities and Exchange Commission ...	DS.....
105926 .....	.....	.....	.....	.....
.....	.....	.....	.....	.....

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])?..... Yes [ X ] No [   ]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.....	VANGUARD DEV MKT; INST .....	42,016,436 .....
921943-88-2 .....	VANGUARD CL INST INDEX MF .....	67,164,847 .....
922040-10-0 .....	VANGUARD INX TRS SML INX CL INST MF .....	15,871,575 .....
922908-87-6 .....	.....	.....
29.2999 - Total	.....	125,052,858 .....

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
.....	NESTLE SA REG .....	617,019 .....	12/31/2018 .....
VANGUARD DEV MKT; INST .....	NOVARTIS AG REG .....	470,665 .....	12/31/2018 .....
VANGUARD DEV MKT; INST .....	ROCHE HOLDING AG .....	433,595 .....	12/31/2018 .....
VANGUARD DEV MKT; INST .....	HSBC HOLDINGS PLC .....	418,800 .....	12/31/2018 .....
VANGUARD DEV MKT; INST .....	SAMSUNG ELECTRONICS CO. LTD. ....	374,161 .....	12/31/2018 .....
VANGUARD CL INST INDEX MF .....	MICROSOFT CORP. ....	2,505,931 .....	12/31/2018 .....
VANGUARD CL INST INDEX MF .....	APPLE INC. ....	2,269,985 .....	12/31/2018 .....
VANGUARD CL INST INDEX MF .....	AMAZON.COM INC. ....	1,969,275 .....	12/31/2018 .....
VANGUARD CL INST INDEX MF .....	BERKSHIRE HATHAWAY INC. CLASS B .....	1,246,467 .....	12/31/2018 .....
VANGUARD CL INST INDEX MF .....	JOHNSON & JOHNSON .....	1,104,827 .....	12/31/2018 .....
VANGUARD INX TRS SML INX CL INST MF .....	BURLINGTON STORES INC. ....	57,931 .....	12/31/2018 .....
VANGUARD INX TRS SML INX CL INST MF .....	NRG ENERGY INC. ....	57,636 .....	12/31/2018 .....
VANGUARD INX TRS SML INX CL INST MF .....	WP CAREY INC. ....	55,609 .....	12/31/2018 .....
VANGUARD INX TRS SML INX CL INST MF .....	ATMOS ENERGY CORP. ....	54,761 .....	12/31/2018 .....
VANGUARD INX TRS SML INX CL INST MF .....	IDEX CORP. ....	51,174 .....	12/31/2018 .....
.....	.....	.....	.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Harvard Pilgrim Health Care, Inc.

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	307,227,731	304,694,343	(2,533,388)
30.2 Preferred stocks .....	0		0
30.3 Totals	307,227,731	304,694,343	(2,533,388)

30.4 Describe the sources or methods utilized in determining the fair values:  
Harvard Pilgrim Health Care, Inc. obtains fair values from the NAIC Securities Valuation Office (SVO) approved pricing agency (Standard & Poor's), and if not available, market values are obtained from independent third party pricing vendors. ....

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? ..... Yes [ ] No [ X ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? ..... Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:  
.....

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? ..... Yes [ X ] No [ ]

32.2 If no, list exceptions:  
.....

ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Harvard Pilgrim Health Care, Inc.

GENERAL INTERROGATORIES

33.

By self-designating 5GI securities, the reporting entity is certifying the following elements of each self-designated 5GI security:

a.

Documentation necessary to permit a full credit analysis of the security does not exist or an NAIC CRP credit rating for an FE or PL security is not available.

b.

Issuer or obligor is current on all contracted interest and principal payments.

c.

The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting entity self-designated 5GI securities? 

Yes [ ] No [ X ]

34.

By self-designating PLGI securities, the reporting entity is certifying the following elements of each self-designated PLGI security:

a.

The security was purchased prior to January 1, 2018.

b.

The reporting entity is holding capital commensurate with the NAIC Designation reported for the security.

c.

The NAIC Designation was derived from the credit rating assigned by an NAIC CRP in its legal capacity as a NRSRO which is shown on a current private letter rating held by the insurer and available for examination by state insurance regulators.

d.

The reporting entity is not permitted to share this credit rating of the PL security with the SVO.

Has the reporting entity self-designated PLGI securities? 

Yes [ ] No [ X ]

OTHER

35.1

Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any?

\$ 1,263,373

35.2

List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Massachusetts Association of Health Plans	787,251

36.1

Amount of payments for legal expenses, if any?

\$ 1,778,919

36.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Ropes & Gray LLP	697,235

37.1

Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any?

\$ 370,900

37.2

List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
Rasky Partners	185,400

27.5

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes [ ] No [ X ]

1.2

If yes, indicate premium earned on U.S. business only.

\$

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$

1.31

Reason for excluding

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above

\$

1.5

Indicate total incurred claims on all Medicare Supplement Insurance.

\$

0

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$

0

1.62

Total incurred claims

\$

0

1.63

Number of covered lives

0

All years prior to most current three years:

1.64

Total premium earned

\$

0

1.65

Total incurred claims

\$

0

1.66

Number of covered lives

0

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$

0

1.72

Total incurred claims

\$

0

1.73

Number of covered lives

0

All years prior to most current three years:

1.74

Total premium earned

\$

0

1.75

Total incurred claims

\$

0

1.76

Number of covered lives

0

2.

Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

1,824,343,707

1,647,130,015

2.2

Premium Denominator

1,824,343,707

1,647,130,015

2.3

Premium Ratio (2.1/2.2)

1.000

1.000

2.4

Reserve Numerator

186,201,698

166,552,869

2.5

Reserve Denominator

186,201,698

166,552,869

2.6

Reserve Ratio (2.4/2.5)

1.000

1.000

3.1

Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes [ ] No [ X ]

3.2

If yes, give particulars:

4.1

Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes [ X ] No [ ]

4.2

If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes [ ] No [ ]

5.1

Does the reporting entity have stop-loss reinsurance?

Yes [ X ] No [ ]

5.2

If no, explain:

5.3

Maximum retained risk (see instructions)

5.31

Comprehensive Medical

\$

1,500,000

5.32

Medical Only

\$

5.33

Medicare Supplement

\$

5.34

Dental & Vision

\$

5.35

Other Limited Benefit Plan

\$

5.36

Other

\$

6.

Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:  
Hold harmless wording in provider contracts

7.1

Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes [ X ] No [ ]

7.2

If no, give details

8.

Provide the following information regarding participating providers:

8.1

Number of providers at start of reporting year

81,621

8.2

Number of providers at end of reporting year

83,960

9.1

Does the reporting entity have business subject to premium rate guarantees?

Yes [ ] No [ X ]

9.2

If yes, direct premium earned:

9.21

Business with rate guarantees between 15-36 months

\$

9.22

Business with rate guarantees over 36 months

\$



ANNUAL STATEMENT FOR THE YEAR 2018 OF THE Harvard Pilgrim Health Care, Inc.

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? ..... Yes [ X ] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses.....\$

10.22 Amount actually paid for year bonuses.....\$

10.23 Maximum amount payable withholds.....\$

10.24 Amount actually paid for year withholds.....\$

22,127,220

18,713,021

6,426,282

5,027,635

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model, .....

11.13 An Individual Practice Association (IPA), or, ..

11.14 A Mixed Model (combination of above)? .....

Yes [ ] No [ X ]

Yes [ X ] No [ ]

Yes [ ] No [ X ]

11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? ..... Yes [ X ] No [ ]

11.3 If yes, show the name of the state requiring such minimum capital and surplus. .... Massachusetts

11.4 If yes, show the amount required. .... \$ 88,998,427

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? ..... Yes [ X ] No [ ]

11.6 If the amount is calculated, show the calculation

(1) Show net worth of \$1,000,000; Actual net worth = \$552,747,959

(2) 2% of annual premium revenues as reported on the most recent annual financial statement filed with the commissioner on the first \$150,000,000 of premium and 1% of annual premium on the premium in excess of \$150,000,000; or Total premium = \$1,822,824,378; (2% of the first \$150,000,000 = \$3,000,000) + (1% of (\$1,822,824,378 - \$150,000,000 = \$1,672,824,378) = \$16,728,244) = \$19,728,244

(3) An amount equal to the sum of 3 months uncovered health care expenditures as reported on the most recent financial statement filed with the commissioner: Harvard Pilgrim did not report any uncovered expenditures.

(4) An amount equal to the sum of:

(i) 8 percent of annual health care expenditures except those paid on a capitated basis or managed hospital payment basis as reported on the most recent financial statement filed with the commissioner; and

(ii) 4% of annual hospital expenditures paid on a managed hospital payment basis as reported on the most recent financial statement filed with the commissioner.

Adjusted annual health care expenditures of \$971,060,030 at 8% = \$77,684,802 + adjusted hospital expenditures of \$282,840,603 at 4% = \$11,313,624 = Minimum Net Worth Requirement of \$88,998,427

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
Massachusetts .....
Maine .....
.....

13.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [ X ]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. .... \$

13.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [ X ]

13.4 If yes, please provide the balance of funds administered as of the reporting date. .... \$

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, authorized reinsurers? ..... Yes [ ] No [ ] N/A [ X ]

14.2 If the answer to 14.1 is yes, please provide the following:

1  Company Name	2 NAIC Company Code	3  Domiciliary Jurisdiction	4  Reserve Credit	Assets Supporting Reserve Credit		
				5 Letters of Credit	6 Trust Agreements	7 Other
.....	.....	.....	.....	.....	.....	.....

15. Provide the following for individual ordinary life insurance\* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded):

15.1 Direct Premium Written .....

15.2 Total Incurred Claims .....

15.3 Number of Covered Lives .....

\$

\$

*Ordinary Life Insurance Includes
Term(whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without secondary gurarantee)
Universal Life (with or without secondary gurarantee)
Variable Universal Life (with or without secondary gurarantee)

16. Is the reporting entity licensed or chartered, registered, qualified, eligible or writing business in at least two states? ..... Yes [ X ] No [ ]

16.1 If no, does the reporting entity assume reinsurance business that covers risks residing in at least one state other than the state of domicile of the reporting entity? ..... Yes [ ] No [ ]

FIVE-YEAR HISTORICAL DATA

	1 2018	2 2017	3 2016	4 2015	5 2014
<b>Balance Sheet</b> (Pages 2 and 3)					
1. Total admitted assets (Page 2, Line 28) .....	970,728,081	917,833,886	916,793,599	930,556,459	921,573,766
2. Total liabilities (Page 3, Line 24) .....	417,980,122	440,026,382	459,991,542	472,438,350	372,920,733
3. Statutory minimum capital and surplus requirement .....	88,998,427	91,225,201	98,855,723	93,480,206	86,510,484
4. Total capital and surplus (Page 3, Line 33) .....	552,747,959	477,807,504	456,802,057	458,118,109	548,653,033
<b>Income Statement</b> (Page 4)					
5. Total revenues (Line 8) .....	1,822,824,378	1,647,130,015	1,782,281,937	1,684,069,694	1,645,146,781
6. Total medical and hospital expenses (Line 18) .....	1,521,420,934	1,461,872,357	1,583,113,266	1,507,557,123	1,414,770,344
7. Claims adjustment expenses (Line 20) .....	49,954,486	44,379,742	41,288,558	40,534,682	45,986,156
8. Total administrative expenses (Line 21) .....	200,476,828	161,601,313	179,728,391	188,106,887	190,481,193
9. Net underwriting gain (loss) (Line 24) .....	48,933,380	(21,487,919)	(21,155,725)	(53,253,203)	(7,318,969)
10. Net investment gain (loss) (Line 27) .....	16,261,372	20,889,458	48,594,832	27,435,499	28,147,360
11. Total other income (Lines 28 plus 29) .....	(23,016,653)	(7,645,715)	(8,986,085)	(9,391,870)	(6,545,411)
12. Net income or (loss) (Line 32) .....	42,178,099	(8,244,176)	18,453,022	(35,209,573)	14,282,980
<b>Cash Flow</b> (Page 6)					
13. Net cash from operations (Line 11) .....	106,327,917	14,311,224	60,492,739	(14,890,465)	68,131,830
<b>Risk-Based Capital Analysis</b>					
14. Total adjusted capital .....	552,747,959	477,807,504	456,802,057	458,118,109	548,653,033
15. Authorized control level risk-based capital .....	105,545,500	104,710,656	99,128,727	93,571,740	83,247,922
<b>Enrollment</b> (Exhibit 1)					
16. Total members at end of period (Column 5, Line 7) .....	255,573	250,138	287,462	304,395	298,029
17. Total members months (Column 6, Line 7) .....	3,107,780	3,157,512	3,633,400	3,637,679	3,599,641
<b>Operating Percentage</b> (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. Total hospital and medical plus other non-health (Lines 18 plus Line 19) .....	83.5	88.8	88.8	89.5	86.0
20. Cost containment expenses .....	1.4	1.2	1.0	1.2	1.2
21. Other claims adjustment expenses .....	1.3	1.5	1.3	1.3	1.6
22. Total underwriting deductions (Line 23) .....	97.3	101.3	101.2	103.2	100.4
23. Total underwriting gain (loss) (Line 24) .....	2.7	(1.3)	(1.2)	(3.2)	(0.4)
<b>Unpaid Claims Analysis</b> (U&I Exhibit, Part 2B)					
24. Total claims incurred for prior years (Line 13, Col. 5) .....	115,527,380	121,409,808	114,960,324	114,554,368	105,298,364
25. Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)] .....	137,677,653	138,143,711	131,777,520	121,616,477	136,718,040
<b>Investments In Parent, Subsidiaries and Affiliates</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Col. 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1) .....					0
28. Affiliated common stocks (Sch. D Summary, Line 24, Col. 1) .....	218,150,717	213,577,314	180,518,098	81,351,707	78,082,207
29. Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10) .....		0	0	0	0
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....			29,660,394	83,383,638	73,122,132
32. Total of above Lines 26 to 31 .....	218,150,717	213,577,314	210,178,492	164,735,345	151,204,339
33. Total investment in parent included in Lines 26 to 31 above.					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [     ] No [     ]

If no, please explain: .....

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

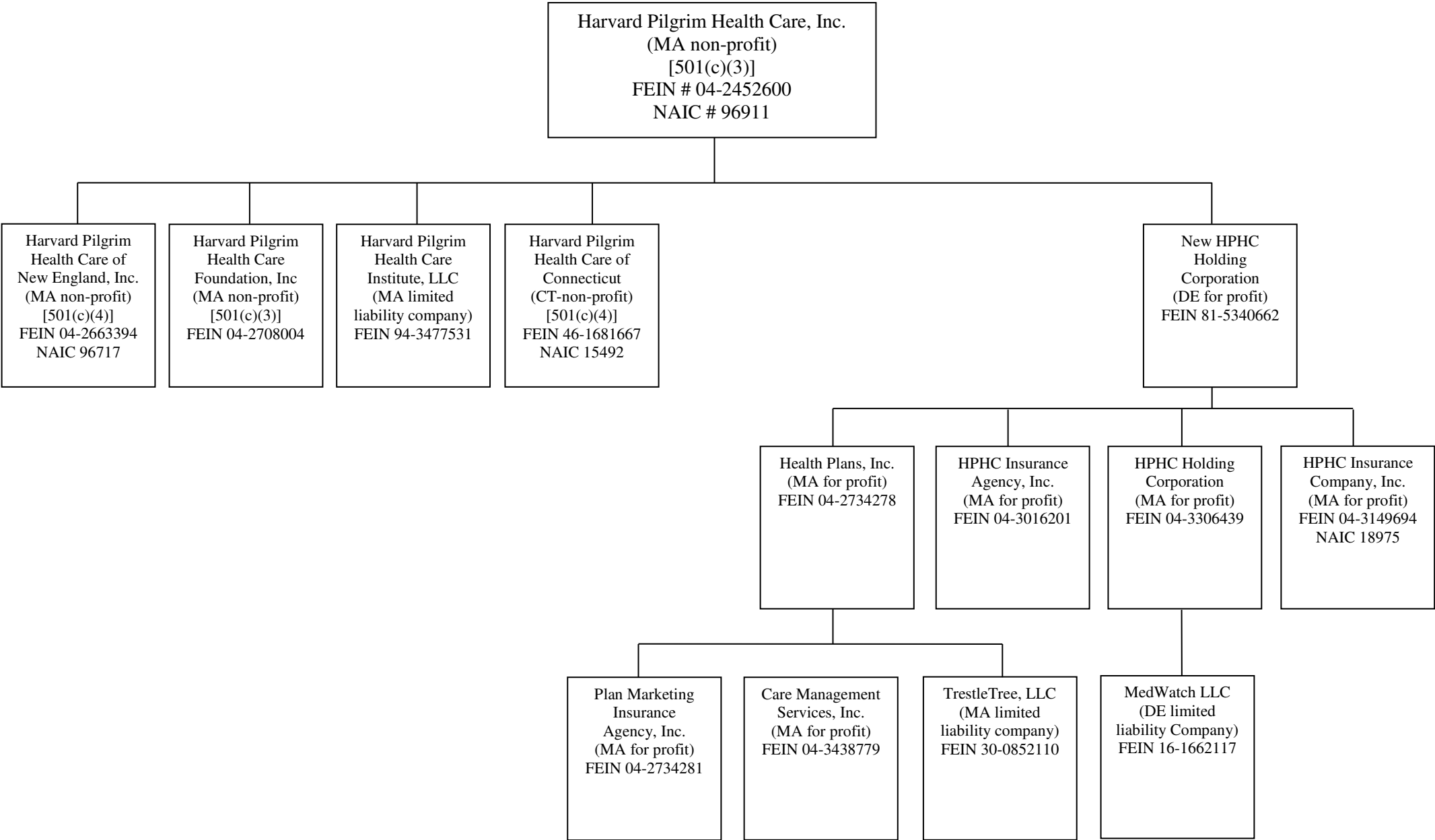
Allocated by States and Territories										
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
States, etc.		Active Status (a)	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama	AL	N						.0	
2.	Alaska	AK	N						.0	
3.	Arizona	AZ	N						.0	
4.	Arkansas	AR	N						.0	
5.	California	CA	N						.0	
6.	Colorado	CO	N						.0	
7.	Connecticut	CT	N						.0	
8.	Delaware	DE	N						.0	
9.	District of Columbia	DC	N						.0	
10.	Florida	FL	N						.0	
11.	Georgia	GA	N						.0	
12.	Hawaii	HI	N						.0	
13.	Idaho	ID	N						.0	
14.	Illinois	IL	N						.0	
15.	Indiana	IN	N						.0	
16.	Iowa	IA	N						.0	
17.	Kansas	KS	N						.0	
18.	Kentucky	KY	N						.0	
19.	Louisiana	LA	N						.0	
20.	Maine	ME	L	469,606,775	11,270,092				480,876,867	
21.	Maryland	MD	N						.0	
22.	Massachusetts	MA	L	1,285,747,364	58,886,625				1,344,633,989	
23.	Michigan	MI	N						.0	
24.	Minnesota	MN	N						.0	
25.	Mississippi	MS	N						.0	
26.	Missouri	MO	N						.0	
27.	Montana	MT	N						.0	
28.	Nebraska	NE	N						.0	
29.	Nevada	NV	N						.0	
30.	New Hampshire	NH	N						.0	
31.	New Jersey	NJ	N						.0	
32.	New Mexico	NM	N						.0	
33.	New York	NY	N						.0	
34.	North Carolina	NC	N						.0	
35.	North Dakota	ND	N						.0	
36.	Ohio	OH	N						.0	
37.	Oklahoma	OK	N						.0	
38.	Oregon	OR	N						.0	
39.	Pennsylvania	PA	N						.0	
40.	Rhode Island	RI	N						.0	
41.	South Carolina	SC	N						.0	
42.	South Dakota	SD	N						.0	
43.	Tennessee	TN	N						.0	
44.	Texas	TX	N						.0	
45.	Utah	UT	N						.0	
46.	Vermont	VT	N						.0	
47.	Virginia	VA	N						.0	
48.	Washington	WA	N						.0	
49.	West Virginia	WV	N						.0	
50.	Wisconsin	WI	N						.0	
51.	Wyoming	WY	N						.0	
52.	American Samoa	AS	N						.0	
53.	Guam	GU	N						.0	
54.	Puerto Rico	PR	N						.0	
55.	U.S. Virgin Islands	VI	N						.0	
56.	Northern Mariana Islands	MP	N						.0	
57.	Canada	CAN	N						.0	
58.	Aggregate other alien	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59.	Subtotal	XXX	1,755,354,139	70,156,717	.0	.0	.0	.0	1,825,510,856	.0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							.0	
61.	Total (Direct Business)	XXX	1,755,354,139	70,156,717	0	0	0	0	1,825,510,856	0
DETAILS OF WRITE-INS										
58001.		XXX								
58002.		XXX								
58003.		XXX								
58998.	Summary of remaining write-ins for Line 58 from overflow page	XXX	.0	.0	.0	.0	.0	.0	.0	.0
58999.	Totals (Lines 58001 through 58003 plus 58998)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(a) Active Status Counts:  
L - Licensed or Chartered - Licensed insurance carrier or domiciled RRG.....2 R - Registered - Non-domiciled RRGs.....0  
E - Eligible - Reporting entities eligible or approved to write surplus lines in the state.....0 Q - Qualified - Qualified or accredited reinsurer.....0  
N - None of the above - Not allowed to write business in the state.....55

(b) Explanation of basis of allocation by states, premiums by state, etc.

For individual members Harvard Pilgrim allocates premium based on the member's residence. For group members Harvard Pilgrim allocates premium based on the group situs.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Assets Line 11

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
1104. ....			0	0
1197. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0

Additional Write-ins for Assets Line 25

	Current Year			Prior Year
	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Net Admitted Assets
2504. ....			0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0

Additional Write-ins for Exhibit of Nonadmitted Assets Line 25

	1	2	3
	Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
2504. ....		0	0
2597. Summary of remaining write-ins for Line 25 from overflow page	0	0	0

NONE

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